Daily Report

Latin America

FBIS-LAT-93-117
Monday
21 June 1993

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Cuba

Foreign Minister Discusses U.S. Embargo, Human Rights

PA1806230093 Madrid EFE in Spanish 2036 GMT 18 Jun 93

[Text] Havana, 18 Jun (EFE)—Cuban Foreign Minister Roberto Robaina has declared that Cuba will not take any steps if the United States lifts the blockade "because we do not negotiate with a knife to our chest and our backs to the wall, and, furthermore, we have not imposed a blockade on anyone."

In an interview published by GRANMA INTERNACIONAL on 18 June, Robaina stated that Cuba and the United States should initiate talks on topics of common interest, such as drug trafficking, communications, and immigration affairs "without a straitjacket and without the condition of subordinate, but obviously that does not depend on us."

Cuba, "filled with infinite patience, has denounced incessantly the U.S. economic embargo imposed 30 years ago" in all of the tribunes because "our only sin is that we are sovereign," Robaina explained.

"We will use the podiums, hallways, news conferences, balconies, streets, and corners to draw the attention of nations" to the Cuban situation, Robaina stated.

The minister said that the countries of the North (industrialized) should realize the importance of socioeconomic rights for countries of the South, because "if there are no deep changes on which to focus, the consequences will be unforeseeable," Robaina said moments before leaving for Vienna to attend the UN Human Rights Conference.

The Cuban foreign minister recalled that "70 percent of the charges of human rights violations have been promoted by powerful countries, while 100 percent of the accused live in the Third World."

Human Rights Group Accuses Robaina of Avoiding Press, Issues

FL1806224293 Bridgetown CANA in English 2016 GMT 18 Jun 93

[By Ulric Hetsberger]

[Text] Vienna, Austria, June 18, CANA—Alleged human rights violations in Cuba continue to occupy centre stage at the World Conference on Human Rights here.

The International Society for Human Rights (ISHR) claimed Friday a news conference by Cuban foreign minister, Roberto Robaina, had been cancelled following Tuesday's "violent" assault on its spokesman by supporters of President Fidel Castro. But Cuba said a press conference had never been planned.

ISHR said the "cancellation" was the result of "action" in support of journalist and human rights activist, Rodolfo Gonzalez Gonzalez, speaker of the Cuban Committee for Human Rights, who was arrested on the 44th anniversary of the Universal Declaration of Human Rights last year. ISHR disclosed that Gonzalez Gonzalez was accused of "enemy propaganda" after he passed information on alleged human rights breaches to the United Nations Human Rights Centre, which appeared in a highly critical UN report.

"Journalists were prepared to ask questions about the human rights situation in Cuba... After waiting in vain for about 45 minutes for (Foreign Minister) Robaina, the press conference was cancelled by a loud speaker announcement," IHCR said in a release.

The Non-Governmental Organisations' human rights lobby said several journalists "protested" against "this obvious attempt to avoid critical questions about the freedom of the press and treatment of journalists in Cuba."

"On Tuesday afternoon, Michael Wichman, speaker of the executive board of ISHR had been violently restrained from addressing the case of Gonzalez Gonzalez... UN security personnel had to intervene to escort Wichman safely out," the organisation said.

On Gonzalez Gonzalez, it said he is now held in solitary confinement "at the ill-famous Villa Marista Detention Centre and waiting for the court hearing on his case."

Cuba Friday said it never called a press conference. "Since his arrival in Vienna the Cuban foreign minister has granted seventeen press interviews and did not consider it necessary to make additional statements," a Cuban statement said.

There are more than one thousand journalist covering the conference.

Robaina Comments on Human Rights, Departs for PRC Visit

PA1806194693 Mexico City NOTIMEX in Spanish 1753 GMT 18 Jun 93

[Report by Gerardo Arreola]

[Text] Vienna, 18 Jun (NOTIMEX)—Cuban Foreign Minister Roberto Robaina warned on 18 June of the "danger of a supranational interventionist force," that could emerge from the Human Rights Conference, may pose for "peoples and governments" of the world.

In an interview with NOTIMEX, the Cuban foreign minister said that an international court, a high commissioner, or a bid at the UN Security Council would be the result of a "dictum from the North to condemn only the South."

The internal debate at the Conference "is about to close," Robaina said when he made an assessment of the

meeting. The Conference, meeting in Vienna since 14 June, ended the first half of its activities on 18 June.

"The rules of the game have been poorly established" and the debate is "highly politicized," Robaina said, referring to the disagreement between the two dominant viewpoints at the forum, the first of its kind in 25 years.

Developed countries, headed by the United States, whose delegates are attending the Vienna conference, are doing everything possible to impose forms of foreign intervention to protect human rights, an attempt rejected by Cuba, the PRC, Colombia, and Mexico.

Robaina added: "It is still uncertain whether or not we will reach an agreement. There is too much disagreement between the powerful and the poor. Developed countries try to impose concepts rather than find true solutions to problems of basic freedoms."

In addition to the confrontation concerning an eventual new agency to protect human rights, the Conference is debating assessment criteria and is nearly paralyzed on their final draft.

Robaina said that, within the debate, he "appreciates the coincidence of views among Mexico, Colombia, and Cuba." He added that the other Latin American countries "are under considerable pressure."

Robaina admitted the United States has made new gestures toward Cuba and said the island enjoys with Mexico "systematic communications" and a shared willingness to fit "their relations to the reality of the new times."

The current U.S. Government has abandoned its previous "aggressive language" against Cuba and "this is something we appreciate," Robaina said.

"I appreciate with satisfaction that the (U.S.) State Department has issued a condemnation against those who encourage activities against Cuba from the United States," he added.

"We note with respect" these positions by Washington but "we see that we are not a priority in the new administration," headed by Democratic President William Clinton, the foreign minister said.

Regarding his evaluation of these circumstances, Robaina said "there could be greater disadvantages if steps are taken in haste." It is "better to allow time to deal with the problems."

He emphasized that Cuba's position on relations with the United States has not changed. "We have always been willing" to normalize bilateral links, severed after the 1959 triumph of the Cuban revolution," he said.

"The conditions are mutual respect" and a cease of the U.S. intention to treat Cuba "as a subordinate country," Robaina added.

Regarding Cuba's relations with Mexico, Robaina said they are developing "in a satisfactory manner." He recalled traditional bilateral ties and said "they continue on that path, they remain the same."

"Systematic communications are the rule" between Mexico and Cuba as is a mutual resolve to adjust "relations to the reality of new times," he said.

He also believes that despite Cuba's "complex and difficult" economic situation, "it has the respect of a country that speaks for itself."

He stressed that "we are not a country that has to seek permission or wait for a superpower to call to be able to make its own decisions."

Robaina headed the Cuban delegation to the World Conference on Human Rights. On the evening of 18 June, before the evening plenary session, he traveled to Beijing to pay an official six-day visit to the PRC.

The Cuban foreign minister will then visit Rome to preside over a meeting of Cuban ambassadors in Europe, and will attend a UN Social Economic Council session in Geneva.

The Cuban official, who held numerous bilateral interviews here with foreign ministers attending the conference and Austrian officials, plans to return to Cuba on 30 June.

Roundup of Economic Activity Reported 14 Jun to 18 Jun

FL1806192293

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 14 and 18 June.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 14 June report that activities for the next tobacco campaign have begun in Pinar del Rio. Finishing up preparation of the 2,700 caballerias forecast in the provincial plenary; selecting and preparing seedbed areas; and repairing plows, rakes, and other agricultural implements comprise the main tasks of the tobacco workers in Pinar del Rio in preparation for the next harvest. Further evidence of the justice of the Revolution is the approximately 7-million-peso grant for farmers who suffered economic losses from pests and diseases, adverse weather conditions, and a lack of fuel and electricity.

Radio Rebelde at 1155 GMT on 14 June reports that efforts are underway to finish planting, weeding, and fertilizing more than 40,000 caballerias nationwide before the end of June. Havana Province is more than 50 percent behind in its sugarcane planting process. Santiago de Cuba Province reports that 1,613 caballerais need to be manually weeded, 525 caballerias replanted, and 150 caballerias planted.

Radio Rebelde at 1155 GMT on 15 June reports that Pinar del Rio has "really had serious difficulties" this year with tobacco, a very delicate crop, because of the bad weather. Pinar del Rio's goal is to plant 3,500 caballerias with tobacco. To date, they have 2,700 caballerias planted. Agricultural expert Diosdado Maso notes that "they really don't have much time left."

Radio Reloj at 1930 GMT on 15 June reports that the sugar industry's top priority, the spring cane planting campaign, is behind schedule because of a lack of spare parts, tires, and fuel; the length of the harvest; and adverse weather conditions. Minaz is inspecting the progress of planting.

Reloj adds that over 32,000 quintals of plantains have been produced on 10 caballerias by the Sancti Spiritus Banao enterprise, using microjet irrigation.

Cuba Vision Network at 2220 GMT on 15 June reports that religious groups from the Dominican Republic have made donations to Cuba in the form of 2.5 tons of food for the elderly, worth $700,000.

An accord was signed on 15 June between the Ministry of Construction Materials and the Cuban Red Cross to manufacture asbestos roof panels in cooperation with the ECC. The accord, signed by Carlos Aguilar Camacho, president of Madco S.A., and Esmildo Gutierrez, secretary general of the Cuban Red Cross, foresees the manufacture of over 22,000 asbestos roof panels for families affected by the recent March storm. This $70,000 project will benefit the provinces of Havana, Pinar del Rio, Matanzas, Cienfuegos, and Villa Clara. The Mario Echevarria Plant in Artemisa will handle the task.

Radio Rebelde at 2300 GMT on 16 June reports that the Indian ambassador presented a four-ton donation of medicine to the Public Health Ministry at the Cuban Institute of Friendship With Peoples.

Radio Rebelde at 0900 GMT on 17 June reports that in Santiago de Cuba Province, of 350 caballerias prepared for planting, only 180 have actually been planted. During an assesment meeting, Esteban Lazo stressed the need to do everything possible to insure that the land is prepared for planting.

Radio Rebelde at 0900 GMT on 17 June reports that oil workers in Matanzas Province had extracted 321,000 tons of oil by the end of May. This represents 89 percent of the goal for the period. Between January and May, 10,000 meters were drilled. Provincial oil extraction officials said that approximately 40,000 tons are currently being produced and that 1 million tons of oil could be produced by the end of December.

Tele Rebelde and Cuba Vision networks at 0000 GMT on 18 June report that the Air Europe charter flight arrived in Varadero with 190 Spanish tourists and a 200-kg vitamin complex donation.

Tele Rebelde and Cuba Vision at 0000 GMT on 18 June report that the National Civil Defense general staff has released more information on damages caused by storms from 30 May to 6 June. In the eastern provinces as well as Camaguey, Ciego de Avila, Sancti Spiritus, and Cienfuegos Provinces, a total of 2,306 houses were destroyed and more than 22,000 were damaged. A total of 21 km of electric lines and 210 poles were downed; 41 bridges collapsed; 61 km of railways and 850 km of roads were damaged; agriculture damage totals are still unknown. The worst damage was the loss of human life, with 17 people killed and 1 missing. More than 61,000 persons were evacuated during the recent storm and 11,801 remain homeless.

Commentary Notes Extent of Storm Damage

PA1806213193 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Jun 93

["Commenting on the news" feature, read by Miguel Angel de la Guardia]

[Text] Cuba is facing an extremely difficult situation. This is not only a result of the collapse of the Socialist bloc in Eastern Europe and of the Soviet Union but also due to ongoing assaults by nature, which have inflicted much damage to the Cuban economy.

Today we want to report not on the Storm of the Century, which in March produced more than $1 billion in damage in Cuba's western region, but on a more recent tempest that hit Cuba's eastern region and drastically halted a lengthy drought that had left the aqueducts and farms of that region practically waterless.

The rain that fell for days on the eastern half of Cuba resolved, perhaps for years, a chronic shortage of water in that part of the country. But it inflicted a very severe blow to the national economy.

Let us look at some data: This storm left 18 dead, something the Storm of the Century did not do. It totally destroyed more than 2,500 houses, whose residents had to be housed by the state in emergency sites. More than 23,000 houses were seriously damaged and their residents lost furniture, clothes, radios, television sets, refrigerators, freezers, etc.

Approximately 500 km of roads; 40 bridges and sewers; more than 40 km of railroad; and approximately 400 economic plants, including small factories, stores, shops, and service installations were damaged. Three dams were destroyed.

We have to report that thanks to quick and effective work by the popular forces under Civil Defense personnel, more than 100,000 heads of cattle were saved when they were led to safe places. More than 60,000 persons were moved on time to safe places.

This damage, added to the problems already mentioned, has considerably aggravated the social and economic

situation of the country, which is still enduring the criminal economic blockade to which the United States has subjected it for more than 30 years. This blockade keeps the country from using the huge forces the revolution created in the past three decades for economic expansion.

Cuba needs help to get out of the great crisis its heroic people are facing bravely and firmly. Cuba has been receiving generous contributions, especially from its Spanish, Mexican, and U.S. friends, who maintain important solidarity campaigns that greatly encourage the Cubans fighting these setbacks.

More, however, is needed and it is needed now. Cuba will not disappoint those who have placed their hopes on it.

Official Warns of Worsening Fuel Conditions

FL1906015493 Havana Cuba Vision Network in Spanish 2220 GMT 18 Jun 93

[Text] Jesus Perez Othon, first vice minister of the Basic Industry, spoke at the People's Government assembly of Havana where he reiterated the need for conservation. After reporting that in the following months there will be a significant reduction in fuel, he added that among other measures, it is necessary to concentrate production in only the most efficient factories, as had been done with refineries. Delegates and guests to the provincial assembly also spoke of implementing organizational, technological, and control measures to increase conservation and the use of alternate energy sources.

Cienfuegos Ship Repair Base Highlighted

FL2106022993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 21 Jun 93

[Text] The ship repair base in Cienfuegos is located on the site where the historical armed uprising of 5 September took place over 35 years ago. The base's workers honor that uprising through their day-to-day efficiency.

Cienfuegos Province's ship repair base saves the nation [words indistinct] through general repairs to the fishing fleet's jetty [dique del combinado pesquero] in this province. The work includes, among other tasks, changing casings and recycling and manufacturing parts and equipment for the machine and collector [colectores] system. Steps were initially taken vis-a-vis the builders of the jetty in what used to be the Soviet Union, but the expenses would have been greater than the cost of doing the work here. This task is being carried out jointly with the fishing fleet's workers, and is to be finished before 15 July.

The Cienfuegos ship repair base also provides its services to other Cuban economic entities, and ensures that the Navy's combat units are combat-ready. This work group has earned National Vanguard status for 12 consecutive years, and has many innovators and efficiency experts. It was in this place that, in 1957, the armed uprising of 5 September began, in "the Pearl of the South."

Alarcon Discusses Issues Requiring ANPP Attention

FL1906020793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 19 Jun 93

[Text] Ricardo Alarcon, National Assembly of the People's Government president [ANPP], talks about the main issues to be discussed in the work sessions of the ANPP on 28 June.

[Begin recording] There are two subjects that are widely known, precisely the ones the provincial assemblies of the People's Government are currently discussing: energy and the People's Councils.

The ANPP debate is actually the culmination of a process that began in April at the base level. The ANPP debate will be part of this process. The ANPP will hear provincial reports on these subjects. In addition, the ANPP has to approve specific judicial authorities, such as the office of the attorney general of the Supreme Court.

A general review of the work done by all the provinces will also be conducted. We will discuss in a general manner the situation with the main tasks of all the provinces. There will also be a report on the international activities of the ANPP in the last year and a half. Finally, we also have to discuss the creation of the various work commissions. We cannot forget this is a new Natioanl Assembly. In March we were given the task of preparing a proposal to integrate the permanent commissions. This will be presented in this ANPP session.

In other words, I believe the agenda is very full. On one hand, we have organizational issues still to be completed, such as the commissions. On the other hand, we have to fulfill the process that began in April at the base level, on two very important issues: the energy problem and the work of the People's Councils. [end recording]

Council Presidents Considered 'Main' Political Leaders

FL1906132493 Havana Radio Rebelde Network in Spanish 0900 GMT 19 Jun 93

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government, has stated: The people's councils' principal mission is to mobilize the masses for the purpose of solving community problems.

Alarcon, who is also a member of the Politburo, made a speech at the ordinary session of Havana's governing body, at which the energy program and the work of the people's councils were analyzed and approved.

Upon assessing the role of the councils, Alarcon explained that council presidents are a community's

main political leaders, and that this includes confronting sensibly any problems impacting the community, without waiting for other administrations to take action.

Foreign Minister Roberto Robaina Arrives in Beijing

FL2006201293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Jun 93

[Text] On 19 June, Cuban Foreign Minister Roberto Robaina arrived in Beijing for a one-week visit to China. During his visit, Robaina will attend meetings with his Chinese counterpart, Qian Qichen, and will tour Shandong Province. Robaina traveled to China from Vienna, where he participated in the UN World Conference on Human Rights. This is his second trip to China. Robaina first visited the PRC as first secretary of the Union of Young Communists.

Border Brigade Instructional Meeting Ends With Exercise

FL1906152393 Havana Radio Reloj Network in Spanish 1405 GMT 19 Jun 93

[Text] The study meeting of border brigade leaders and field officers [jefes y oficiales] that began on 15 June ended yesterday in Guantanamo with the staging of a lightning-strike [a relampago] military exercise in the field. At this meeting, instruction included practical training on the defense of fortified positions, the organization of reconnaissance along the border, and the use of protective means.

The purpose of the meeting was to expand knowledge and generalize the practical application of new ideas to tactical preparation, as well as to unite criteria regarding the use of different kinds of weapons in organizing and carrying out the strike.

In addition to commanders and specialists, border brigade staff officers, battalion commanders, and brigade top brass participated (?in this meeting).

Alarcon Discusses Democratic Procedures

FL1906182893 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jun 93

[Text] The first ordinary sessions of the Provincial Assemblies of the People's Government for this new mandate are focusing on analyzing the nation's energy problems and the People's Councils. Both these topics will also be at the center of the discussions of the National Assembly of the People's Government [ANPP], to be held on 28 June.

Our reporter Gisela Bel Heredia reports on Ricardo Alarcon's assessment of the current session of the Cuban legislature.

[Bel] ANPP President Ricardo Alarcon de Quesada has stated, in this capital: I think the role played by the delegates and by the people's councils says a lot—as few other things can—about the genuinely democratic and participatory essence of our society.

He stressed: (?The thing is that), among other things, it implies that the process of legislating, of formulating norms and defining ideas, has a method to it, as well as a way of unfolding, that differ from those of the so-called democratic societies where certain people claim to represent the rest of the society.

[Begin Alarcon recording] In our case—and the people's councils are the clearest expression of this—what defines us, what we should favor, go into in depth, develop, is precisely the genuine participation by everyone in the government that belongs to us all. For that reason...[rephrases] I am not saying we should not make laws, set norms. What I think is important (?is that) we not get confused, and that we realize that that, among other things, is what we have in fact been doing during the past two months, during this process of reflection on and discussion of the matter of these [People's] Councils—all the way from the councils themselves, through the provincial assemblies and, later, at the ANPP.

Furthermore, it should not end there. I think it is also a good idea for us not to look upon this idea as something excessively urgent, not feel as if we have to make a decision right this minute just because the ANPP will be meeting shortly.

The National Assembly is going to meet next week, but the purpose of its meeting is not to put an end to, or finish this process of national reflection on the matter of the councils—just as we cannot do it on the energy problems either. It will be simply a moment for drawing up a balance sheet, a moment which culminates in a phase of nationwide discussion like the provincial discussions you people are culminating in today in this city, but which is not going to end here. [end recording]

Alarcon made these assessments at the Provincial Assembly of the People's Government, which is meeting in Havana. This assembly, meeting in the first ordinary session of the 7th mandate, had as its central topics for discussion the nation's energy problems and the matter of the People's Councils.

Quivican, Caimito Hold 'PCC's Municipal Assemblies'

FL2106014293 Havana Tele Rebelde and Cuba Vision Networks in Spanish GMT 0000 GMT 21 Jun 93

[Text] As is the case in the rest of the nation's provinces, Havana Province too is in the midst of the assessment process of the Communist Party of Cuba's [PCC's] municipal assemblies. Quivican and Caimito Municipalities held their assemblies today.

The fact that Havana Province is in the midst of the assessment process in no news. The special features of this province are, however, surely of interest to you and to the entire nation.

[The National Television Newscast] NTV is today in Caimito. Being discussed are the food program, sugarcane recovery, and the [civil defense] tunnels.

This is the fifth PCC assessment assembly to be held in Havana [Province], and what has happened? First, three PCC municipal leaderships have been renewed to-date. Second, discussions have shown ingenuity and have been about specifics. Third, there has been (?heavy) voting for the municipal bureaus and the elected secretaries. Fourth, there has been discussion of candidacies at centers with great impact on the life of the provinces: Bejucal's scientific centers, for example.

There are 41,000 PCC members in Havana Province. The province has promised to produce over 11 million quintals of tubers and vegetables this year. The province is of fundamental importance to the nation's scientific potential, and 33 percent of the nation's industry is located there. How does this specific reality fit into the PCC's assessment strategy?

Candido Palmero, PCC first secretary for Havana Province, answers.

[Begin recording] The Party's basic objective is to analyze how to get ourselves out of the special period and how to get these basic special-period tasks accomplished—that is, how... [rephrases] The Party as vanguard, as a center, solves, sheds light on, the task for all workers, for the entire population, and summons them to the task. [end recording]

In Quivican today, the party's municipal leadership was renewed; in Caimito, it was ratified.

EC Delegate Announces Epidemic Neuropathy on Decline

FL1906014693 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jun 93

[Text] The epidemic neuropathy affecting Cuba currently is showing signs of decline. This was announced in Havana by an EC specialist, Dr. Fernando Martinez, director of the Carlos III Epidemiology Center of Madrid, Spain, stated that everything indicates the epidemic is in remission. The specialist is visiting Cuba as part of an EC delegation that will study the characteristics of the epidemic neuropathy prior to allocating special aid to Cuba. The EC delegation of experts arrived in Havana on 16 June and met on 17 June with President Fidel Castro who gave them a detailed briefing on the characteristics of the epidemic. Martinez added that Fidel will meet with the EC delegation next week at the conclusion of their tour of Cuban hospitals and research facilities.

Inter-Caribbean Affairs

TT Central Bank Governor Discusses Caricom Monetary Union

FL2006230793 Bridgetown CANA in English 1910 GMT 20 Jun 93

[By Linda Hutchinson]

[Text] Port of Spain, Trinidad, June 20, CANA—The governor of Trinidad and Tobago's central bank, Ainsworth Harewood, said Saturday that the United States dollar was initially considered as the currency for a proposed monetary union of the Caribbean Community (Caricom).

"That was the original intention, at least that was the original thinking of the (central bank) governors, and it continues to be a distinct possibility," Harewood told the 11th Conference of the Institute of Chartered Accountants of the Caribbean.

Speaking on the theme, "Towards a Caricom Monetary Union," Harewood said one had to take a decision between any aspect of the intervention currency by choosing either a mix of currencies or the special drawing rights, determined by the International Monetary Fund (IMF).

"I think that the inclination would be to go towards the U.S. dollar because of the skewed nature of the trade in the region as a whole towards the U.S. market, but one of the critical factors that would influence the choice of the intervention currency would be the nature of the transaction," he told delegates from the Caribbean countries. "I don't want to come out with any firm recommendation, but I think there would be a very strong case for the U.S. being determined as the intervention currency."

He said Trinidad and Tobago's recent decision to float its currency had implications for the proposed Caribbean monetary union which was still possible and desirable. He said the flexible rate regime in Trinidad and Tobago represented a significant change in the circumstances that informed the agreed process of the two-tiered state approach adopted by the Caricom heads of government.

He told the meeting work on the technical level must now be intensified with a view to fine-tuning the overall schedule, criteria for accession and mechanics of a common currency. It had been anticipated that a common monetary authority would be established and a common currency instituted, with the inclusion initially of countries which satisfied the criteria.

These include foreign exchange reserves to the value of three months' import cover for at least one year, a stable exchange rate for three years and a sustainable rate, not exceeding 15 percent. On this basis the countries of the Organisation of the Eastern Caribbean, the Bahamas, and Belize would immediately qualify, Harewood

reported. It was, however, considered vital to the success of the union that there should be the initial inclusion of a country with the economic weight of either Jamaica or Trinidad and Tobago.

"It was eventially agreed that consideration should be given to the participation from the inception of the union of Trinidad and Tobago and barbados, both of which were then operating a fixed exchange rate system," said Harewood.

"It was recognised, however, that Trinidad and Tobago would not have immediately satisfied the foreign exchange reserves or debt service criteria while there was some uncertainty about barbados' ability to meet the foreign exchange reserves requirement. The inclusion of these countries would therefore have necessitated some form of exemption if the progress to a monetary union were to be expedited."

The central bank governor told the accountants that monetary union on the scale envisaged had a number of serious implications which had to be clearly understood and confronted. He said the first and perhaps the most important implication was that monetary union required relinquishing a high degree of national sovereignty.

"Decisions formely made within a nation now have to be decided on a regional basis. For example, a country can no longer unilaterally determine the level of its exchange rate or meaningfully set a target for the growth rate of its money supply," he said.

Stating that movement of capital was significantly enchanced by a common currency, the senior banker said there would be great pressure for labour to move from one country to another, especially when adverse shocks have a strong impact on particular countries within the union. Monetary union also constrains the policy options available when individual countries want to adjust their economies, he remarked.

"The fact that modification of the exchange rate is ruled out means that more burden is placed on other instruments of policy, such as income policies and fiscal policy," he said. But Harewood said while independent fiscal policy was theoretically still available within a monetary union, in practice, it was severly constrained.

"Limitations on domestic credit to the government by the monetary authority, as well as the acquisition of external debt, effectively circumscribe its financing options. More subtly, the fact that economic resources can move easily across borders puts a check on a government's range of tax or subsidy policy," he said.

Haiti

Army Reaffirms Decision To Facilitate Search for Solution

FL1806190693 Port-au-Prince Radio Metropole in French 1600 GMT 18 Jun 93

[Text] The command of the Haitian Armed Forces has taken note of Resolution 841, adopted on 16 June by the UN Security Council, that reinforces the commercial embargo set in place by the OAS a year ago against the Haitian people, in the event that the negotiations led by the special representative for Haiti of the secretaries general of the United Nations and the OAS do not reach satisfactory results by 23 June.

The command notes, as well, the fact that this resolution was adopted less than 48 hours after the 15 June adoption by the National Assembly of the executive order recognizing the legitimacy of President Jean-Bertrand Aristide.

The command deplores the apparent oversight that places the country in the unbelievable position of continuing to negotiate under the threat of sanctions which, on the whole, are designed to aggravate the suffering of the people.

For its part, the command of the FADH reaffirms its firm decision to facilitate any search for a solution to the Haitian crisis in accordance with the Constitution and the laws of the country. It will not hesitate to join the other sectors of the national life to carry on with the negotiations while hoping that all parties will prove to be sincere.

In conclusion, the FADH command renews its commitment to insuring the security of lives and property throughout the entire national territory for the preservation of order and public peace. This was a declaration of the Secretariat of the General Staff of the Haitian Army.

Bloc President, Independent on Reinstatement Order

FL1706233193 Port-au-Prince Tele-Haiti in French 1030 GMT 17 Jun 93

[Italicized passages in Creole]

[Excerpts] Reactions continue, especially from the intensified bloc of the Alliance [for Parliamentary Cohesion, ACP], two days after the parliament's vote on the executive order reinstating President Aristide. First, according to the president of the ACP bloc in the lower chamber, this executive order constitutes an important step toward a resolution of the crisis insofar as it takes into account the concerns of all Haitian parties. Let us listen to Deputy Antoine Joseph at the microphone of Varrio Serran.

[Joseph] *It is clear that the Army, the Army [repeats] that said it had staged its coup... the Army does not even agree*

that it was a coup. They say it was a democratic correction. This means that in the Army's opinion, Aristide's return is out of the question.

As everybody knows, the private sector was very active in staging demonstrations against the OAS at the beginning of the crisis. So, there is a portion of the private sector hostile to Jean-Bertrand Aristide's return. There are also political parties, mainly the Mobilization for National Development, which are hostile to Aristide's return. There are people in civilian society hostile to President Aristide's return. Now, how can we find a solution? The solution is to satisfy those who do favor Aristide's return to power—that is, to return him to power. It is also to offer guarantees to those who are opposed to Aristide's return.

[Serran]*Is that what this vote has offered? The opposite reaction says the unexpressed purpose is to present conditions unacceptable to Aristide to show that he is uncompromising, and then to apply Article 149.*

[Joseph] *No, but here I can ask the people a very clear question—to show me which conditions in the executive order are unacceptable. What do they call unacceptable conditions? I would say that in principle, the order is almost a remake [last word in English] of the Washington Agreement. One of the few differences is that the portion on the international community was removed. Another difference is the fact that President Aristide—I can now allow myself to say it straightforwardly—President Aristide as we have restored him, President Aristide [repeats] is not obliged to append his signature to the bottom of the agreement.*

[Serran] *Another difference is that the ACP bloc boycotted the vote on that agreement, which you say looks like this one. Now, Senator Larosiliere, those who participated in this boycott are the ones who came up with a proposal like this.*

[Joseph] *Well, there is only one thing I can tell you: that politics are not static. Politics develop, depending on reality. The reality is different. One must admit that there is now [changes thought] that the situation has become more and more disastrous. [passage omitted]*

[Announcer] This is certainly not the opinion of independent Deputy Samuel Madistin who calls the vote on this executive order crude maneuvers aimed at ensuring the continuity of the coup d'etat. Deputy Madistin pointed out the hidden side of this executive order at the microphone of Varrio Serran.

[Madistin] *First, I must say that the crudeness of this action is unparalleled. But, actually, there is the hidden side of this text. The men... [changes thought] The problem is not really recognition of Aristide's legitimacy. It is a maneuver to convince the international community that they are honest. By proposing something absolutely unacceptable, they hope to show all who believe Haiti ungovernable without President Aristide that he is intransigent. Actually, what is in their minds is the same solution they used to promote: application of Article 149, a government of generalized corruption. What do they actually have in mind? To make President Aristide give them the legitimacy they are looking for so they can cooperate with the international community and get international aid in order to continue stealing. Meanwhile, President Aristide should stay abroad indefinitely.*

[Serran] *Exactly. One of the spearheads of the activated ACP wing even spoke of this possibility: Application of Article 149 in the event that Aristide does not agree with this executive order. In your opinion, what are the chances of something like that passing?*

[Madistin] *That is exactly what is in their minds. It is what they have working on for 20 months. We do not believe it has a chance, absolutely any chance to pass. We believe if these men do not immediately answer the Haitian people's demands, clearly expressed through the 16 December [1990] elections, and the demands of the international community, asking for the physical return of President Aristide to his post, if they do not take that path, I think there will be a catastrophe. A demonstrated solution will be applied. [passage omitted]*

Aristide Partisan Jeremie Bishop Arrested, Released

FL1806202593 Port-au-Prince Radio Metropole in French 1600 GMT 18 Jun 93

[Report by correspondent Jean-Obed Maturin, in Jeremie on 17 June—recorded in Creole]

[Text] Sainte-Helene Bishop Joachin Samedi was arrested on 17 June at about 1230 GMT. While the bishop was dropping off two foreigners who were in his car at the Sacred Heart School in the city, he was presented with a warrant for his arrest from the subdistrict commander. The bishop spent quite some time in the Jeremie military barracks before he was taken to the Jeremie civil court.

The arrest warrant had been signed by an assistant government representative who accused him of attacking lawyer Willy Jean-Felix, a member of the Jeremie Bar, with a weapon on 16 June during a traffic altercation. The bishop categorically denied the accusation. While the trial between the bishop and lawyer Jean-Felix was held, the military spread out, assaulting the people who had gathered in front of the courthouse. Even those at some distance were not safe from the beating by the military, who blocked traffic in front of the court. The trial was held for two and a half hours. Then everyone went home.

Let us point out that the trial was held in the presence of several priests of the Jeremie diocese, several members of the UN/OAS international civilian mission, and several civilian and military authorities in Jeremie. [end recording]

MPNKP Denounces Army, Supports Oil Embargo

FL1806185893 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 18 Jun 93

[Excerpts] The national coordination of the Papaye Congress National Peasants Movement, MPNKP, has presented a very dark picture of the economic and political situation of the country from 30 September 1991 to 30 April 1993. During a news conference held by the MPNKP on 17 June, the leaders of the peasants' movement denounced the members of the Armed Forces and the Alliance [for Parliamentary Cohesion, ACP] as responsible for the degradation of the economic situation of the country. The MPNKP says the Bazin government turned out 1 billion gourdes it shared with the group of parliamentarians who were helping it [while it was] in power. The MPNKP says the putschists owe US$ 105 million they have not repaid, not to mention a significant amount of money they borrowed from private banks on behalf of the country according to Chavannes Jean-Baptiste. [passage omitted]

The MPNKP leaders went on to say that over 250,000 people are in hiding in the country because of a system of wild and criminal repression. According to the MPNKP, this situation has brought about a scramble among the peasants either to go to Miami illegally aboard rough boats or to hide in big cities.

The MPNKP says it supports the decision of an oil embargo to be taken against Haiti, provided it does not make the rich even richer. [passage omitted]

Dupiton Will Work To Prevent UN Sanctions

FL1806184593 Port-au-Prince Radio Metropole in French 1045 GMT 18 Jun 93

[Text] There has still been no reaction from the Haitian Armed Forces, since the UN Security Council's vote to reinforce the sanctions against Haiti.

We are staggered. Those are the words of the president of the Alliance bloc of the parliament in reaction to the UN sanctions against Haiti. Senator Thomas Eddy Dupiton terms incomprehensible the behavior of the international community. He explains that the 12 June resolution is responsive to the requirements of the Washington agreement. We thought that in going through Aristide's reinstatement we had conceded everything to those who are demanding a return to democracy, asserts Sen. Dupiton. However, he adds, we have found a lack of understanding on the part of the international community.

The parliamentarian also thinks that he has made a real offer to President Aristide to assume power in Haiti. The president of the parliamentary Alliance bloc states that he is open to dialogue. According to Sen. Dupiton, it is necessary to work to negate the sanctions adopted by the UN Security Council. Sen. Dupiton indicates that the parliament is in touch with the Council of Ministers and plans to discuss the situation with the Army: [Begin recording] We are in touch with the Haitian diplomatic authorities. I talked with the minister of foreign affairs and we arranged for two employees of the Ministry of Foreign Affairs to give us technical assistance. It is true that we are going to meet with the Army high command in order to find out whether all measures are being taken to assure there will be no misdemeanors and whether we will have enough oil to meet the needs of the various institutions, such as hospitals, when the sanctions are applied.

We are, however, going to work to determine how we can avoid the application of sanctions. We are still in the decisionmaking stage. We must work to prevent the execution of those sanctions. If it is necessary to create a commission to meet with those who cannot understand the reason for this decree, we are ready to do so. [end recording]

Dupiton Works Against Sanctions; Gilles Ready To Leave Post

FL1806172093 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 18 Jun 93

[Text] We will work so they do not apply the sanctions. This is a statement by Eddy Dupiton, president of the Alliance [for Parliamentary Cohesion, ACP] group in the Senate. During an interview on Radio Metropole, Senator Dupiton says the ACP senators are ready to form a commission to meet with the people who he says do not understand the motive for the executive order passed by the parliamentarians on 15 June. Sen. Dupiton did not specify who does not understand that executive order and whom they want to meet with—the parliamentarians of the constitutionalist bloc or President Aristide and the international community.

Serge Gilles says he is ready to leave his post as senator. The situation following the vote of ACP parliamentarians' executive order remains confused. The decision now rests with the Army, which controls the national situation, and to President Jean-Bertrand Aristide, who controls the situation at the international level.

PANPRA leader Serge Gilles said during an interview with INTER- PRESS SERVICE, IPS: We are not the ones who staged the coup d'etat, we are not in a revolution, and we do not have an army of 8,000 men. Sen. Serge Gilles went on to say: We are in a democratic process; this means we do not have other choices; we must negotiate and form other alliances. Sen. Serge Gilles, head of PANPRA and senator [reelected on] 18 January, said he was ready to give up his post as senator. However, it is up to an arbitration committee to make a decision on this question.

Solana Discusses Agenda for Binational Commission Meeting

PA2106043593 Mexico City NOTIMEX in Spanish 0341 GMT 21 Jun 93

[Text] Washington, 20 Jun (NOTIMEX)—Mexican Foreign Secretary Fernando Solana said on 20 June it is possible that on 21 June Mexico and the United States may reach an agreement regarding the extradition treaty between both countries.

"I hope we will discuss specific points about the extradition treaty," Solana said a few hours prior to the 10th meeting of the Mexican-U.S. Binational Commission.

Solana, who heads the Mexican delegation, said his country wants a formal exclusion from the extradition treaty of any possible extraterritorial arrests.

On 21 June approximately 20 secretaries of state and government officials from both countries will discuss the main topics on the binational agenda and afterward will meet with U.S. President William Clinton at the White House.

Solana said that during the Binational Commission meetings Mexico will exchange views not only on bilateral but regional matters, including Central America, the Caribbean, and Somalia.

He said that in the next few hours the Mexican Government will issue a document to express its concern about the situation in that African country. He said it is very likely the Mexican position will be made known at the United Nations. The Mexican official described the Somali people's situation as "very regrettable."

Solana and eight other state secretaries and Mexican officials will meet with their U.S. counterparts at the State Department in a meeting that will be opened by Secretary of State Warren Christopher.

The discussions will include, in addition to the extradition treaty, such aspects as cooperation in the fight against drugs, environmental cooperation, and labor and immigration issues.

Reports on Binational Commission

PA2006164093 Mexico City XHTV Television Network in Spanish 0200 GMT 19 Jun 93

[Text] Mexican Foreign Secretary Fernando Solana has reported on the agenda for the Mexico-U.S. Binational Commission's 10th meeting to be held in Washington on 21 June. Solana said that the agenda includes the importance of fighting drug trafficking.

Those attending the meeting plan to discuss bilateral relations, as well as drug trafficking, immigration, border, commercial, environment, and labor issues. Solana said that the Mexican delegation will propose to the United States, just as Mexico has proposed to other nations, the creation of a group in the United Nations to devise new ways to fight drug trafficking.

[Begin Solana recording] The United States should fight drug consumption much more intensely. Some of the leading drug- trafficking capos have been identified, but have yet to be arrested. [end recording]

Secretary Solana said that progress on an extradition treaty is expected.

Attorney General Orders Arrest of Three Magistrates

PA2006184293 Paris AFP in Spanish 1724 GMT 20 Jun 93

[Text] Mexico City, 20 Jun (AFP)—A communique issued by the Attorney General's Office (PGR) on 20 June advises that the arrest of three Supreme Court of Justice magistrates has been ordered. The three magistrates are being charged with crimes against the administration of justice.

The communique adds that Hector Santacruz has been arrested by the police and is now in the hands of the judicial authorities. Meanwhile, magistrates Jose Enrique Moya and Jose Refugio Cuevas remain at large.

The document states that the magistrates were working in the northern city of Hermosillo, Sonora State.

Judge Pablo Vicente Monroy said "there is enough proof that the three magistrates issued illegal rulings."

The sources did not disclose the cases in which the magistrates issued illegal rulings.

Church Offers Support To Fight Drug Trafficking

PA1906215093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 18 Jun 93

[Report by Hector Guerrero]

[Text] The Catholic Church pledged to cooperate with the federal government in the fight against drug trafficking. Archbishop Adolfo Suarez Rivera, president of the Mexican Bishops' Conference, offered church cooperation to fight drug trafficking by creating awareness among Mexicans and teaching them to resist this evil and do good instead. The Mexican archbishop spoke before the secretary of government:

[Begin Suarez recording] We believe we are still in time in our fatherland to free ourselves from this very serious evil, a cancer that afflicts many countries, which when added to the poverty that still afflicts us, makes things far worse. As bishops everywhere have repeatedly said, this government work needs the cooperation of all society, and of course the church, which we offer. We need to create an awareness among our people so they know how to resist this evil and do good instead. [end recording]

Archbishop Suarez Rivera attended a ceremony at the Monterrey Archbishopric to mark the receipt of certificates that accredit it as a religious association before the Government Secretariat. Suarez highlighted the creation of the National Institute to Fight Drug Trafficking [Instituto Nacional para el Combate Contra el Narcotrafico], created by a presidential decree.

Government Secretary Patrocinio Gonzalez Garrido said that with the delivery of these certificates the Secretariat has handed out 54 registries to the Catholic Church, which represent 90 percent of the total. He added that with the beginning of a relationship of mutual respect between church and state, a new political culture can begin.

Costa Rica

Government Confirms Espina's Political Asylum

PA2006202193 Panama City ACAN in Spanish 1856 GMT 20 Jun 93

[Text] San Jose, 20 Jun (ACAN-EFE)—President Rafael Angel Calderon has denied any knowledge of a Guatemalan Government's request to extradite former vice president Gustavo Espina. Calderon confirmed the political asylum status that had been granted to Espina.

When asked by journalists, Calderon said he had no reports of such a request being presented to Costa Rican diplomats in Guatemala. After recalling that persons under political asylum cannot be extradited, he said he would study such a request when and if it is presented.

Calderon said "the political crimes of which he is accused" is one thing, but the management of funds is quite another. According to a report released by the Guatemalan Comptroller General's Office and made public in San Jose on 18 June, the accounts "have been found to be correct."

Vice President German Serrano, who was acting president when the asylum-granting decree was signed, said that he is "very pleased" by the results of the Guatemalan report that established "the crystal clear and correct way in which Espina managed the funds assigned to him, thus rendering groundless the embezzlement charges filed against him."

"This Guatemalan Comptroller General's Office report reaffirms our government's reasons for granting him asylum because Espina qualifies as person persecuted for political—and for no other—reasons," Serrano said.

El Salvador

UN Secretary General Cites FMLN 'Insincerity'

PA1806182993 San Salvador Canal Doce Television in Spanish 0300 GMT 18 Jun 93

[Text] The Farabundo Marti National Liberation Front [FMLN] on 17 June said it will comply with the ultimatum by UN Secretary General Butrus-Butrus Ghali to surrender all weapons prior to 20 June.

Shafik Handal, coordinator of what is now a political party, received a letter from Ghali reproaching the FMLN for its insincerity when it stated that it declared all of its weapons in an inventory certified by the United Nations. The letter was sent to Handal following the conclusion of a UN Observers for El Salvador [Onusal] investigation of clandestine arsenals belonging to the Farabundo Marti Peoples Liberation Forces [FPL] that were found in Nicaragua.

This deliberate attempt to deceive me raises doubts as to my credibility and makes me seriously ponder questions of trust—questions to which I am unable to respond at this moment in the absence of any communication from you, Ghali said in his letter, released on 17 June in San Salvador. Ghali demanded a report from the FMLN by 20 June on the steps taken by that organization to ensure that all arsenals in El Salvador and neighboring countries will be located and destroyed.

Communique on Caches Found in Nicaragua

PA1806150793 San Salvador LA PRENSA GRAFICA in Spanish 17 Jun p 44

[Communique issued by Farabundo Marti National Liberation Front, FMLN, Politicial Committee in San Salvador on 15 June]

[Text] The Farabundo Marti National Liberation Front [FMLN] communicates to the nation:

That in the past weeks in the wake of the weapons cache found in Nicaragua belonging to the Farabundo Marti Peoples Liberation Force [FPL], an FMLN member organization, an intense publicity campaign was unleashed aimed at dishonoring and taking away the FMLN's credibility among Salvadorans.

The existence of those weapons and more, which the FPL at its own initiative decided to turn over to the Nicaraguan Government and to the UN Observers for El Salvador [Onusal], are holdovers of the original lack of trust in the peace process. But the fact that these weapons were never used, the FPL's acknowledgment that they exist, and their subsequent turn over constitute a clear demonstration of its responsibility and adherence to the political course that marks the peace agreements.

The spirit and actions of the FMLN with regard to their support for and the furtherance of the peace process taking place in our country cannot be denied. We are in a position to assure categorically that since we signed the peace agreements we have never taken into consideration or planed, much less carried out, any armed action. The perverse intent that this nation's Government and right wing attribute to us is totally false. Given this statement, we assure our people and the international community of the following:

1. We are bent on continuing to develop political work aimed at achieving an electoral victory in benefit of popular sectors and the national interest.

2. We are not going to resume the armed struggle under any form and we are going to cooperate in the search for lost weapons caches.

3. As far as armed groups are concerned, we demand a professional investigation by the National Civilian Police, with Onusal support, to establish the existence of and the handling of these groups. We are willing to cooperate in this task.

4. We repudiate the murder of Armed Forces officials and we demand, as soon as possible, an investigation and the clearing up of these cases.

5. We also demand a serious and speedy investigation of the murder of individuals linked to the FMLN.

6. We repudiate all illegal actions by kidnappers and gun runners.

7. We demand a speedy investigation of those implicated in the seizures of tons of drugs and that their names by made public.

We reiterate our willingness to struggle until we achieve the changes our country needs and to demand firmly from the government and the Armed Forces the strict fulfillment of the peace agreements and of the Ad Hoc Commission's and the Truth Commission's recommendations.

[Signed] FMLN Political Committee

[Issued] San Salvador, 15 June 1993

ERP Leader Acknowledges Additional Hidden Weapons

PA1806171893 San Salvador Canal Doce Television in Spanish 0300 GMT 18 Jun 93

[Text] With just a few hours remaining until an ultimatum by UN secretary general against the Farabundo Marti National Liberation Front [FMLN] expires, Joaquin Villalobos, People's Revolutionary Army [ERP] leader, admitted that his organization also has hidden weapons, of which a portion was handed over to UN Observers to El Salvador [Onusal] on 17 June.

A portion of a remainder of weapons used by ERP members during the war was handed over on 17 June to Onusal members in unspecified locations throughout San Salvador.

[Begin Villalobos recording] After the cease-fire we made three weapons deliveries, and I am officially announcing that we are making another one on 18 June. This delivery includes approximately 75,000 rounds of ammunition, explosives, and other military equipment. Next week we will probably surrender another stockpile of weapons. We have not yet estimated the amount because these are weapons that have been stockpiled since the 1989 offensive, and we had been unable to locate them. We are willing to continue this policy because it is part of the spirit pointed out by the UN secretary general. [end recording]

According to Villalobos, this complete disarming spirit demonstrates the goodwill of the FMLN. The organization carries a significant political burden as result of the recent discovery of FMLN weapons in Nicaraguan territory, and the fact that the discovery prompted an initiative from UN secretary general urging the organization to honor its peace agreement commitments. Villalobos believes that this reflects a certain degree of mistrust by the UN in the pacification process.

[Begin Villalobos recording] The explanation of this is quite simple. It is simply skepticism of the peace process. I believe the problem lies in that weapons owned by the right-wing sectors that have not yet appeared. In addition, it is very difficult for this to take place because the state repressive mechanism is not geared toward this end. Nevertheless, I am quite sure that arsenals owned by right-wing sectors are hidden somewhere. No one is searching and no one is willing carry out inspections of residential areas. [end recording]

Villalobos emphasized that there is a vicious circle prompted by security problems within the country that makes it very difficult for the various sectors to surrender all of their weapons.

The former guerrilla leader announced the official closing on 20 June of a political congress organized by the ERP to select a new political leadership.

FMLN Leader: Further Arsenal Discoveries 'Unacceptable'

PA1806141193 San Salvador Canal Seis Television in Spanish 1830 GMT 17 Jun 93

[Report by Romeo Lemus]

[Text] On 17 June, the Farabundo Marti National Liberation Front, FMLN, conceded that it would suffer a political defeat if another arsenal, similar to the one found in Nicaragua, is found. Juan Ramon Medrano of the FMLN said such an event is not likely to occur but added that he feared the government would play dirty regarding this matter.

[Begin recording] [Medrano] It would be totally unacceptable, from any point of view, if large quantities of weapons continue to be discovered. The UN secretary general asked for an explanation by 20 June. The FMLN would not have any justification if additional large quantities of weapons are located.

[Unidentified reporter] The government could take advantage of the situation and play dirty.

[Medrano] True. The government has already taken advantage of this situation to further its political campaign prior to the elections. [end recording]

The former guerrilla said the UN secretary general was right in being upset about the weapons incident. Butrus Butrus-Ghali said he was disappointed with the deception by the FMLN and requested a full explanation regarding the arsenal by 20 June, at the latest.

[Begin Medrano recording] I believe the secretary general is right in feeling somewhat disappointed. The FMLN has always been in the forefront in its compliance with the agreements. We have always complied even if the other party has not. Thus, the secretary general has made a very strong call for the FMLN to comply, as it has always done, in a true and clear-cut manner. [end recording]

The FMLN only has three days left to comply with the request made by the UN secretary general and other interested sectors. Juan Ramon Medrano said the FMLN will not be further condemned because it is already paying a high political cost for the arsenal found in Nicaragua.

Medrano, FMLN Spokesman Comment on Caches

PA2006154093 San Salvador Radio Cadena YSU in Spanish 1820 GMT 19 Jun 93

[Text] The Farabundo Marti National Liberation Front [FMLN] party denied today that one of its five organizations of the former guerrillas had delivered eight tons of weapons, as is being said by diverse media. Juan Ramon Medrano, FMLN spokesman, said that there has been a misinterpretation of the data. The eight tons being made reference to is the weight of the trucks where junk materiel belonging to the former Peoples Revolutionary Army [ERP], now Peoples Renovative Expression [Expresion Renovadora Popular] [ERP] were turned over, Medrano indicated. Here is what Juan Ramon Medrano said:

[Being Medrano recording] These were trucks with an eight-ton loading capacity. What was turned over was junk, that is, pieces of rifles, pieces of rocket launchers, [words indistinct] and a large amount of pieces of weapons. It was not war weapons at all, rather it was a pile of rusted junk that existed before the agreements. Therefore there has been ill-will in the manipulation of this information, saying that the FMLN had this bunch of rifles. More than two months ago, the ERP turned over its large weapons caches in Nicaragua. We no longer have weapons hidden in the amounts required to engage in a war. [end recording]

As far as President Alfredo Cristiani's call for FMLN to give concrete evidence to generate trust once again the peace process, Medrano said that this is part of the president's election campaign for the Nationalist Republican Alliance (Arena) party.

[Begin Medrano recording] I do not know why he insists on this when the ERP has turned over the last of the weapons caches it had in Nicaragua. The rest of the FMLN turned over their arsenals several months ago. What is left are caches with pieces of weapons that cannot be used to engage in a war. To make an issue of this at this stage of the game, saying that the FMLN does not have [political] willingness, is plain electoral propaganda. I believe that the president is lowering the level of the radical right-wing Arena sympathizers by insisting on this when he knows very well that the FMLN is committed, along with the United Nations, to help look for the possible caches that were lost during the offensive [words indistinct] former conflict areas. I believe that at this stage of the game, neither the president, Arena, nor the government have the moral right to be saying the FMLN had weapons hidden when they know very well they have not delivered lands, they have not organized the National Civilian Police, they have not democratized the Supreme Electoral Board. Besides, they know that there are a many individuals from the Armed Forces and Arena members who are linked to ghost companies that have [words indistinct] numerous Salvadorans [words indistinct]. There have been persons linked to Arena, the government, government institutions, and the Armed Forces in practically all of the drug seizures; such as the last several tons seized [words indistinct]. Everyone says that there are a numerous persons involved in this. This has not been made public. We have demanded that this matter be cleared up because if we are going to talk about errors and sins, our sin is that we did not trust the government to meet its commitment. Those weapons were being held as a means of pressure and not to be used. [end recording]

The former guerrilla reiterated the commitment to offer the necessary cooperation to the United Nations to look for possible caches of left over materiel lost during the FMLN's military offensive in 1989 and in previous years of the war. The FMLN political party is willing to comb the most disputed areas, he indicated.

Former FMLN Fighters Receive Lands

PA1806145293 San Salvador LA PRENSA GRAFICA in Spanish 17 Jun 93 p3

[Text] The land transfer that began at Hacienda California and Beneficio Las Marias in Usulutan Department "constitutes a very positive step forward that fills the international community with deep satisfaction, as it closely follows the peace process," Augusto Ramirez Ocampo, UN Observers for El Salvador [Onusal] chief, stated on 16 June during the ceremony giving land to former Farabundo Marti National Liberation Front [FMLN] fighters and tenants. The Onusal chief said the land now in the hands of former fighters and tenants must become productive "to plant the peace process in El Salvador." Dr. Ramirez Ocampo stressed this "is an example to the world that this transfer is a triumph of Salvadoran peace."

The two properties were transferred to the Land Bank with funds from the EEC and U.S. AID. Representatives of the international community, AID, Land Bank, Agriculture and Planning Ministries, and the FMLN attended the ceremony.

British Ambassador Michael Connor [name as published], speaking on behalf of the 12 EEC members, said he felt proud to be supporting the peace process in El Salvador and added the land transfer is a fundamental element of the peace process.

He said the land problem was one of the causes that led to the conflict in El Salvador but now it seems it is being worked out.

AID Director John Zanbrailo said the transfer was possible thanks to the support his agency has lent the

Land Bank and assistance from the international community. Zambrailo said the transfers will generate "more jobs and a better life for the people."

Former FMLN Commander Joaquin Villalobos said transferring land to peasants is a triumph of the peace process that is taking place in the country, a product of the negotiations. Villalobos, however, made a critical assessment, saying that this is a difficult phase for the former fighters, who must now become farmers.

The Beneficio Las Marias transfer will benefit 474 former fighters and 100 tenants. It cost 9.8 million colones. In addition, 250 former fighters and 800 tenants will benefit from the Hacienda California transfer, which cost 36.6 million colones. The EEC has earmarked $12.5 million for these transfers. The second phase will begin be at the end of 1993. The United States has contributed a total of $22 million.

Guatemala

Congress Elects Arturo Herbruger Vice President

PA1806193693 Guatemala City Cadena de Emisoras Unidas in Spanish 1856 GMT 18 Jun 93

[Report by Armando Perez at the Guatemalan Congress]

[Excerpt] The Legislative Branch has elected Arturo Herbruger vice president of Guatemala. He received 101 votes of the 110 deputies present at the session. He only needed 79 votes to be elected. In an election that was held without incident, most of the deputies voted for Herbruger, who was president of the Supreme Electoral Tribunal. [passage omitted]

Vice President Herbruger Speaks at Ceremony

PA1806215293 Guatemala City Cadena de Emisoras Unidas in Spanish 2010 GMT 18 Jun 93

[Speech by Arturo Herbruger Asturias at his swearing in ceremony as contitutional vice president of the Republic at the Congress in Guatemala City—live]

[Text] Magistrates of the Supreme Electoral Tribunal [TSE] and of the Constitutionality Court; honorable diplomatic corps; deputies of the Congress of the Republic; distinguished guests; ladies and gentlemen:

For more than 50 years we have been struggling for democracy in Guatemala. There have been fluctuations in that struggle, but the determination of responsible citizens has not declined. Exactly 10 years ago, when the TSE was created, I was appointed magistrate and TSE president.

My honorable colleagues and I engaged in building the first element of democracy, in other words, we organized (?free and fair) elections. I think we have been effective, and we have an electoral body that has successfully organized elections for a constituent assembly, (?two) general elections, and two autonomous municipal elections.

All of those elections have been praised by international observers and our political parties. But the elections are only an indispensable [word indistinct] of democracy but not the [words indistinct] that supports and constitutes the state bodies that must operate and implement the Constitution of the Republic and the government's democratic [word indistinct].

It is a shame that this building called our national democracy was close to collapsing less than one month ago when a presidential decree [word indistinct] violated the Constitution of the Republic and tried to dissolve the Congress, the Supreme Court of Justice, and the Constitutionality Court.

Fortunately, the negative reaction from all social groups was so strong that, with nearly unanimous international rejection, it determined the fall of the coup government.

Now, within the constitutional precepts of [word indistinct] reconstruction, this Congress has elected me vice president of the Republic so that with Ramiro De Leon Carpio, the new president, we will complete the constitutional term of office that ends in January 1996.

My acceptance and solemn oath to comply with the Constitution compels me to make all necessary efforts with the president so that, during the next 30 months, the government of the Republic will flow back into democracy and into a realistic economic liberalism that will allow the true development of our beloved fatherland.

I thank the honorable congressmen for placing their trust in this modest servant of Guatemala. Thank you very much. [applause]

De Leon Accepts Resignation of 5 Ministers

PA1806194893 Panama City ACAN in Spanish 1853 GMT 18 Jun 93

[Text] Guatemala City, 18 Jun (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio on 18 June accepted the resignations of five ministers from the previous administration of deposed President Jorge Serrano.

Presidency Secretary General Hector Luna said that Health Minister Eusebio del Cid, Culture Minister Eunice Lima, Agriculture Minister Adolfo Boppel, and Urban and Rural Development Minister Ricardo Castillo presented their resignations. Pilar Serrano, who was acting education minister, also resigned. Luna said the deputy ministers of the five ministries temporarily assumed the positions until the president appoints new ministers.

Government Appoints New Communications Minister

PA1806220193 Guatemala City Teleonce Television in Spanish 1800 GMT 18 Jun 93

[Text] The third minister to be appointed to the government cabinet on 18 June assumed his duties in a ceremony held at the National Palace. He is engineer Oscar Armando Martinez Anaya, who will replace Alvaro Heredia at the head of the Ministry of Communications, Transportation, and Public Works.

Martinez was sworn in by Presidency Secretary General Hector Luna Troccoli. So far, only two ministers have assumed their duties. They are Foreign Minister Arturo Fajardo Maldonado and Defense Minister Roberto Perussina.

The new minister of communications, transportation, and public works made his first statements to the press:

[Begin recording] [Martinez] What we could do is continue everything that is already under way.

[Unidentified reporter] Will you confirm [words indistinct] in their posts?

[Martinez] So far, no other change will be made.

[Reporter] The Communications, Transportation, and Public Works Ministry workers always opposed your administration at the head of the ministry. What do you think will be their reaction to your appointment as minister?

[Martinez] I have been in permanent touch with workers. Sometimes, there are differences in these kinds of activities. However, I have found that they have been cooperative and willing to get the different works going. I think that we have had a good relation overall. Sometimes, logically there are contradictions. But everything has been clarified and thoroughly explained.

I believe that workers—I even talked to some of them on 17 June—are not opposed to my appointment. This is what they have told me.

[Second unidentified reporter] You were also manager of [words indistinct] during the administration of [words indistinct]

[Martinez] Yes, and by the way, he resigned and I... [laughs] This is as far as I can say for now. [end recording]

UN Human Rights Adviser-Expert Dismissed

PA2006192493 Hamburg DPA in Spanish 1813 GMT 20 Jun 93

[Text] Guatemala City, 20 Jun (DPA)—Guatemalan President Ramiro de Leon Carpio today confirmed that German-born Christian Tomuschat, UN human rights adviser-expert for Guatemala, has been removed.

De Leon Carpio said that he had talked with UN Secretary General Butrus Ghali, who confirmed the report and said that a new adviser-expert for Guatemala would be appointed.

Tomuschat's dismissal was initially announced by Bruce Harris, director of Alliance House, a Guatemalan organization devoted to rehabilitating the so-called children of the streets.

Harris said the removal was brought about by a serious disagreement between Tomuschat and Secretary General Butrus Ghali. However, Harris did not give details of the disagreement.

Asked whether Tomuschat's removal would harm the country, the Guatemalan president said no, only personally, because he, De Leon, knew Tomuschat well and also knew that Tomuschat was familiar with Guatemala's reality.

De Leon said that he knew the name of the person who could replace Tomuschat but that he could not disclose it until the person was ratified in the position.

Tomuschat visited Guatemala several times in the past few years and made several recommendations to improve the human rights situation in the country, but they were disregarded by then president Jorge Serrano Elias.

Government Issues Serrano, Espina Extradition Requests

PA1906165793 Panama City ACAN in Spanish 1508 GMT 19 Jun 93

[Text] Guatemala City, 19 Jun (ACAN-EFE)—An official source reported today that the Guatemalan Foreign Ministry sent extradition requests to the Panamanian and Costa Rican Embassies for former President Jorge Serrano and former Vice President Gustavo Espina, respectively.

The diplomatic missions must forward the documents to their respective countries and respond to the Guatemalan request in accordance with the domestic laws of each country.

Foreign Minister Arturo Fajardo told reporters that the Foreign Ministry had already complied with the procedure requested by the Guatemalan Prosecutor General's Office, which requested a warrant for the arrest and extradition of the two former officials.

The Prosecutor General's Office accuses Serrano and Espina of 11 crimes, which include violation of the Constitution, illegal enrichment, overstepping their power, and others.

The former de facto Guatemalan president was granted political asylum in Panama and Espina in Costa Rica, following Serrano's 25 May self-inflicted coup.

Presidents Rafael Caldera and Guillermo Endara of Costa Rica and Panama respectively, justified granting the asylum to the politicians during an extraordinary summit the Central American presidents held in Guatemala on 17 June.

Endara said that his government granted Serrano asylum because it considered that Serrano suffered "political persecution" and once the extradition request is received the case will be resolved according to the laws of Panama.

Calderon, meanwhile, stressed that Costa Rica's Constitution is above any international treaty and guaranteed that those granted asylum will not be extradited.

The popular cry for Serrano and Espina to be extradited and be tried for "corruption" has increased in the last few days in Guatemala. Both have denied illegal enrichment while at the head of the government since 14 January 1991.

De Leon Explains Extradition

PA2006015393 Guatemala City EL GRAFICO in Spanish 18 Jun 93 p 5

[Text] President Ramiro De Leon Carpio has stated his government's position regarding the steps that will be taken for the extradition of former President Jorge Serrano, who sought asylum in Panama, and Gustavo Adolfo Espina, who sought asylum in Costa Rica.

. 'e said two steps must be taken in these cases. Criminal proceedings must first be initiated. He said he respects the independence of the judicial branch, of its exclusive power to deliver a sentence and see that the sentence is applied.

He added that he has instructed the Foreign Ministry to take the necessary legal steps. De Leon said he is obligated to comply with the law and also to verify that the law is observed.

De Leon Announces 'New Style of Governing'

PA2106010493 Hamburg DPA in Spanish 2354 GMT 20 Jun 93

[Text] Guatemala City—Guatemalan President Ramiro De Leon Carpio on the night of 20 June announced a new style of governing, without corruption, with honesty, austerity, and straightforwardness. De Leon Carpio assumed the presidency two weeks ago after being elected by Congress to replace coup leader President Jorge Serrano Elias, who is currently in Panama under political asylum.

In a televised speech, De Leon said the corruption and vices of the past few years have made Guatemalans lose faith in democratic institutions, which makes it necessary to establish a real democracy that will renew Guatemalan society.

He promised that during his government human rights—individual, social, economic, cultural, civic, and political—will be respected to build a better Guatemala.

He reiterated he has eliminated so-called confidential expenses (which did not require the Comptroller General's approval and therefore were a source of wealth for the president and ministers) that under the Serrano Administration totaled more than $10 million at the presidency alone.

He announced he has eliminated superfluous expenses for traveling, parties, and other expenses, so those funds may be used in projects for collective benefit.

He stated that any attempt to corrupt the president, vice president, officials, and other government employees will be made public. Those found to be involved in these actions will be dismissed and turned over to the court, no matter what their rank.

The president promised absolute respect for freedom of speech, particularly freedom of the press, and he guaranteed that the government will be totally receptive to the media's criticism, comments, and suggestions.

Referring to the more than 30-year-old armed internal conflict in Guatemala, De Leon Carpio said he believes the insurgents will join the effort already begun by Guatemalan society to consolidate democracy and thus end the conflict.

The Guatemalan National Revolutionary Unity (URNG), a group formed by the country's guerrilla organizations, announced in Mexico recently that as a gesture of goodwill toward the De Leon Carpio government, it decided to declare a unilateral cease-fire, an action that was applauded by the president.

But a schedule for new peace talks between the government and the URNG has yet to be decided. The talks were interrupted during the Serrano administration because of disagreements while discussing the topics of human rights and of a truth commission to establish the violation of such rights during the years of the internal war.

De Leon Notes Corruption 'Hastened' Serrano's Fall

PA1906231193 Madrid EFE in Spanish 2002 GMT 19 Jun 93

[Text] Mexico City, 19 Jun (EFE)—Guatemalan President Ramiro De Leon Carpio has said widespread corruption was the main cause that hastened the fall of former President Jorge Serrano's government.

During an interview published on 19 June by the Mexican daily EXCELSIOR, the Central American president said Serrano's government began its decline as a result of the confrontations it had with diverse sectors of society.

"(Serrano) clashed with the media, the church, some diplomats, and popular sectors, until the time came when he had no support at all, not even from the Armed Forces," De Leon Carpio pointed out.

"It was a corruption process that progressed steadily. For the past two years, Serrano's illegal enrichment was public knowledge, and the corruption that already existed was spread wider each day," he stressed.

The government was incapable. It lost all credibility, while mistrust of Serrano kept growing. The corruption he allegedly criticized was promoted by him at all levels for his own benefit and that of his collaborators, De Leon Carpio stated.

"What Serrano said in his speeches was one thing and his actions were contrary to what he said." Serrano had to resort to alliances with deputies, to whom he even offered money for their support after the 25 May self-inflicted coup d'etat, De Leon Carpio explained.

Serrano Elias has 11 charges against him, among them, attacking the Constitution of the Republic, embezzlement, illegal enrichment, and treason, among others. This is why his extradition has been requested to the Government of Panama, where is currently exiled.

De Leon Carpio said he ordered Serrano's bank accounts frozen in Guatemala and abroad and he hopes that the Government of Panama will understand that there are enough reasons to extradite the former Guatemalan president so he can be tried.

De Leon Carpio said that he had had to flee from his home to safeguard himself from any attack or unjustified arrest in the wake of the coup.

"We have never been so distant from a coup as right now; the Armed Forces understand Guatemala's democratic process and they remain in their posts, loyal and calm," De Leon Carpio said.

He admitted that the Armed Forces in his country still have a great deal of power but every day its true power is more in keeping with the democratization process.

De Leon Carpio said that since he took office he has uncovered numerous cases of corruption among former President Serrano's colleagues. He has not made this public because the investigations continue.

He said that during the short period he will rule Guatemala he does not expect to carry out large projects but that he is committed—as a top priority in the government program—to combat corruption.

"My democratic principles have been and will continue to be honesty and the need to strengthen the legal system and the constitutional law system in Guatemala that establishes my position as president," De Leon Carpio noted.

When speaking on the Latin American political situation, De Leon Carpio said there is a lack of social conscious regarding the peoples' struggle to build a true democracy.

He indicated that the alarmingly low levels of health, nutrition, food, work, and education in the hemisphere are the main causes of democracy's weakness.

"In Cuba there is a formal but not a true democracy. But the Cubans must be left alone to solve their problems and to join the worldwide system," De Leon Carpio said.

The president noted, however, that until there are greater demonstrations of democracy on the island, Cuba should not return to the OAS.

De Leon Carpio reiterated his commitment to Guatemalan society to fulfill his duties honestly and, when he can no longer continue fighting for human rights—due to reasons beyond his control—he will step down from his post.

Nicaragua

Chamorro Restores Rights in Country's North

PA1906172193 Panama City ACAN in Spanish 1503 GMT 19 Jun 93

[Excerpts] Managua, 19 Jun (ACAN-EFE)—The Nicaraguan Government has restored constitutional rights in the country's north—rights which had been suspended for one month—although the government has not yet succeeded in disarming the groups that again rose in arms against the administration.

President Violeta Chamorro decided not to extend for a similar period of time the suspension of certain constitutional rights in 14 municipalities in northern Nicaragua—some of them on the border with Honduras. According to local observers, she is convinced that the suspension proved fruitless.

As a result of the government suspending certain Constitution clauses from 18 May to 17 June, the Army and the police could arrest people, search homes without legal authorization, and keep persons detained for over 72 hours for investigation. [passage omitted]

According to the pro-Sandinist Nicaraguan Human Rights Center [CNDH], 705 people have been killed in these rural areas for political reasons in the past three years.

Of these victims, 204 were members of the former Nicaraguan Resistance, 74 were active Sandinists, and the rest, the majority of them peasants, were victimized by unconventional armed groups of various ideologies.

According to the CNDH, the perpetrators of 75 percent of the crimes in the region are still unpunished.

These groups are composed of recontras (former contras who rearmed themselves) and recompas (retired Sandinist soldiers).

These organizations, which are not homogeneous, again took up arms for political reasons and to demand lands, loans, and jobs. Hundreds of them rose in arms for personal security reasons, while others were moved by purely criminal purposes.

Recontra leaders include Chacal, Nortiel, El Gringo, Cascabel, and Charrito, while Pedrito El Hondureno is the best known recompa leader.

President Chamorro has asked the Tripartite Commission, created to investigate political crimes, and made up of government, Catholic Church, and OAS delegates, to get in touch with the groups operating outside security zones to seek ways to disarm them.

Government Ministry Verifies No More FPL Caches

PA2006015493 Managua BARRICADA in Spanish 18 Jun 93 p 4

[Text] The Salvadoran Farabundo Marti Peoples Liberation Forces (FPL) again told the Nicaraguan Government that there are no more weapons on Nicaraguan territory. This was verified by the UN Observers for El Salvador [GNUSAL] and by the Nicaraguan Government Ministry.

"The Government Ministry believes, with the weapons caches dismantled by the Special Disarmament Brigade, that this process is finished," the Ministry stated in a public communique.

The Government Ministry document certifies that confiscated weapons—mainly explosives, rifles, and ammunition—were destroyed in keeping with President Violeta Chamorro's instructions. The destruction was done under ONUSAL supervision.

A report stated that the following were destroyed: 1,155 rifles, machine guns, and submachine guns that were located a few days ago in caches on the road to Masachapa, Masaya, Tipitapa, and in the Camilo Chamorro neighborhood.

The following were also destroyed: 364 light antitank weapons and rocket launchers and three 60-mm mortars. A total of 4,789 hand grenades and chemical grenades for mortars and for rocket launchers were destroyed.

Also destroyed were 1,265 kg of dynamite and 759 kg of C-4 explosive material that were hidden in the four caches.

The report added that the 15 sites the FPL used as "safe houses" in the past decade were inspected and that in 10 of these "only FPL documents were found," no weapons. In one house in Granada, the report said, "nothing was found," while in four others "different types of weapons and explosives" were found.

Lacayo Denies Venezuelan President Financed UNO Campaign

PA2006034093 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 18 Jun 93

[Text] Presidency Minister Antonio Lacayo has denied that former Venezuelan President Carlos Andres Perez used special funds to finance the National Opposition Union [UNO] election campaign.

The UNO campaign for the 1990 elections was not financed by former President Carlos Andres Perez, according to Lacayo.

[Begin recording] [Lacayo] I would like to make it clear once again. I have spoken about it before. The UNO campaign did not receive financing from former President Perez. Mrs. Violeta Chamorro received personal support. She had it in 1978 and in 1989 as a means of supporting the cause of democracy in Nicaragua. Something similar was done by other Venezuelan presidents such as Luis Herrera Campins and Jaime Lusinchi. We see in this a tradition of Venezuelan democracy supporting democracies throughout Latin America. We see it as a mission they inherited from Venezuelan hero Simon Bolivar, who fought for a united and democratic Latin America.

Such support was given in 1978, 1989, and in the early days of 1990. Venezuelan personnel were sent here to protect Mrs. Violeta Chamorro. They left a few days after the swearing in ceremony when Mrs. Violeta Chamorro was already president of Nicaragua.

[Unidentified reporter] Did she receive a salary as president [words indistinct]?

[Lacayo] She has not received a salary, either. [end recording]

Lacayo on 'Positive' Meeting Between UNO, Cabinet

PA2006134193 Managua Radio Nicaragua Network in Spanish 1100 GMT 19 Jun 93

[Text] Government Minister Antonio Lacayo said that the meeting between the Government Cabinet and the Political Council of the National Opposition Union [UNO] on 16 June [date as heard] was positive. The UNO presented an interesting proposal, that leaves the intolerance positions in the past.

[Begin recording] [Lacayo] We went to the UNO Political Council's offices on 12 June. We reaffirmed our invitation for them to participate in the dialogue taking place in Managua. We also invited them to keep their lines of communication with us open. They said they would respond on 17 June. They did in fact come

forward on 17 June with a sort of proposal, which we found interesting. We can now see that they are taking steps toward leaving behind positions of intolerance. We now see that there is an interest in approaching issues of national interest with the government and with other political forces. We will advise President Violeta Chamorro of all this, as she was out of the country on 15 June, and give them an answer possibly during next week. Nevertheless, we do see that the 12 June meeting has had a strong effect on the UNO. They have seen that the government is very interested in listening to their government plan, with which they are very committed. I believe several false ideas, which have been circulating recently, have been eliminated. That is positive.

[Unidentified reporter] What was the proposal made by the UNO and what were the false ideas that were circulating? [words indistinct] Amnesty was discarded. Now the government seems to be passing a hot potato to those who opposed the amnesty proposal. The problem of security in the fields still exists. What is the government's next step? Telling the Catholic Church and telling opposing sectors to go and talk with the armed groups; does this mean that the government is passing them a hot potato? What is the government going to do?

[Lacayo] I would not call it a hot potato. I would call it a civil responsibility. We are talking about many Nicaraguans working in these areas, whose lives are at stake. At the university on 18 June, I was asked about the Sauces case and the human rights situation for these sectors. I believe that if the Church or any other sector of society believes that by creating some sort of contact with the armed groups they can convince them to lay down their weapons, I am sure that the government will be willing to allow them the time, within a the best of goodwill. We believe that it would be very good for these people to contact the armed groups, which are going around killing, murdering, and extorting; to contact them and try to convince them that their cause is leading them nowhere and that they must reenter civilian life. If this produces demobilization, well so be it, because that is what we are after. If within a certain time they cannot reach the goal that we are all awaiting, then they will have increased their knowledge of the problem and will then be ready to join the rest of society who believes that amnesty is the best possible solution, and find a solution at last. I hope that what they are proposing works, because then the groups will surrender their weapons, which is what we all want. That is why President Chamorro decided to put the process on hold and asked the Tripartite Commission to include in their agenda the necessary time to visit the area and try to and get these members of society to accept demobilization. [end recording]

Ortega Urges Government To Declare 'Economic Amnesty'

PA2006042893 Managua Canal Cuatro Television in Spanish 0300 GMT 18 Jun 93

[Report by Jorge Catin]

[Text] Former President Daniel Ortega urged the government to declare an economic amnesty in favor of the thousands of farmers currently facing debt problems with the banks. We can still save part of this harvest cycle, the Sandinist leader said.

Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], asked the government on 17 June to declare an economic amnesty for the thousands of small- and medium-size farmers who have unpaid debts with the National Bank. Commander Ortega said a case-by-case review of the problem will not work because the harvest cycle cannot wait and if use of this method continues the year 2000 will come around and we will still not be finished.

[Begin Ortega recording] We need a massive amnesty for farmers who are indebted to the financial system. Once they are freed from this debt and from the threat of being stripped of their lands by the bank, they can return to their productive activities. This is the key that will really bring this country stability. It will prevent armed uprisings and will prevent more crime. We have to fight unemployment, we have to fight the drop in production in our country, and we have to fight recession so violence will not return to Nicaragua. [end recording]

As for alleged statements by Cardinal Miguel Obando y Bravo that he is opposed to amnesty because those who benefit may be people who have never been in prison, such as the former Sandinist guardsmen, Commander Ortega said:

[Begin Ortega recording] The cardinal must remember that every time I met with him he told me the government should be flexible. He told me: Remember, the government must be flexible. You have the strength and the power to be flexible. He said it in those words. He said not only prisoners may be favored with an amnesty but also those with weapons in their hands. Let us remember that this is an ongoing issue that has been handled not only by the Cardinal but by different sectors, such as the Higher Council of Private Enterprise. [end recording]

The FSLN secretary general called on the interested sectors to promote methods and mechanisms to convince the rearmed groups to remain in their safe areas.

Panama

President Endara Anticipates 'Promising Future'

PA1906002693 Panama City Telemetro Television Network in Spanish 0000 GMT 19 Jun 93

[President Guillermo Endara's "Message to the Nation" from the presidency in Panama City—live or recorded]

[Text] I want to thank you for allowing me to share with you some thoughts on the work of my government. I am

taking advantage of the courtesy of this television station to talk to you about topics that I know are of interest to the citizens.

As president of the Republic, I am duty bound to keep you informed of all the work of my government. This was my intention when I held a news conferences every Thursday for over a year. I know my government has not fulfilled all the people's initial expectations. My government has sought to satisfy such expectations and this will continue to be my government's intention until the last day of my term.

We did not try to deceive anyone, now or before. I think it is fair to recall that the country was in ruins when we took office a little over three years ago. We all knew that. What we did not suspect, what no one even imagined, was the magnitude of the economic disaster or the depth of the administrative chaos in which the country was mired. We discovered that only after we took office and made an in-depth analysis. The crisis that overwhelmed us was so vast that, if you will recall, expert economists predicted that Panama needed at least a five-year period and an injection of $1.5 billion of immediate aid to return to the levels of 1986.

To be fair, at the time of assessing my government work not even my staunchest opposers can help but recognize that although the $1.5 billion of aid did not arrive and five years have not passed, Panama has recovered. We are above the levels of 1986 in many areas. We have rebuilt institutions and have placed our government functions in order. The economy grew for the third consecutive year in 1992 and will continue to grow this year. Unemployment will continue to decrease, as will poverty, which are the biggest challenges we face. Panamanians can now breathe the air of liberty. The rights and dignity of persons are respected. There is no country in the world devoid of problems, such as unemployment, poverty, crime, traffic, and consumption of drugs. People require more housing, better health care, and better education. My government has not been and is not indifferent to the demands of the people to face these problems and find solutions for them.

Fellow citizens, my government is carrying out a program of hundreds of millions of balboas in public investments this year to take care of these problems and to contribute to maintain the country's constant economic growth. This investment plan and the normalization of our relations with the international financial organizations are contributing favorably to our struggle against unemployment and poverty. Those of you who think impartially about what I have just said, will agree with me that the worst period is over. There is no room for skepticism or lack of confidence. The nation faces a promising future. Thank you very much.

PTJ Deputy Director on Reasons Behind Resignation

PA1906035893 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Jun 93

[Alvaro Alvarado report—passages within quotation marks are recorded]

[Text] Inspector Carlos Landero, deputy director of the Judicial Technical Police [PTJ], tendered his resignation before the Supreme Court of Justice on 18 June:

[Landero] "I tendered my resignation on 18 June but it will not be effective until 18 August because I will first take a vacation to which I am entitled. Supreme Court Chief Justice Carlos Lucas Lopez advised me that PTJ Director Jaime Abad is sick and will be absent periodically and that his position should be filled by a lawyer. He also told me Javier Cherigo would be appointed temporarily to fill my post.

[Unidentified reporter] "Is the court decision justified?

[Landero] "It is obviously not, but as my boss in this work relationship, the justices are empowered to appoint or fire me, and in this case, even ask me to resign; which is what they did. Thus, I resigned."

Landero admitted that there is corruption within the PTJ. He said this is difficult to control because salaries are too low in comparison with the sums of money handled by the drug-trafficking mafias. Landero admitted he has been under constant pressure:

[Landero] "Some pressure, especially from the PTJ director, has been applied because of personal interests."

This pressure, according to Landero, has intensified since his return from Portugal and Germany:

[Landero] "Upon my return, I found out the PTJ director general was hospitalized. I was summoned to the court secretariat to assume as acting PTJ director general in the absence of the director general. The next day, after a meeting between Chief Justice Lopez and PTJ Director General Abad, I was told that my installation as director general had been annulled. Four days later the plenum of the Supreme Court of Justice's plenum asked me to resign. That was not by chance."

Landero said the PTJ is facing a difficult situation because of the prevailing instability. He added that neither hierarchy nor seniority are respected. Salary increases have been made whimsically in violation of the institution's budget. Chief Justice Lopez announced Javier Cherigo is the new PTJ acting deputy director. He also commented on his meeting with Inspector Landero on 17 June to explain the need to appoint a lawyer as deputy director, because the PTJ director will be absent periodically due to health reasons:

[Lopez] "We accepted Mr. Landero's resignation. Thank God no trauma was involved in this leadership change."

Meanwhile, Jaime Abad denied any differences with Deputy Director Landero:

[Abad] "There never was any discussion or dispute between Landero and I. I think that he is claiming this now as a hidden cause of the court decision."

Abad pointed out that he will not be prompted to resign by Landero's decision to do so.

Lopez, Abad Comment on Resignation

PA1906193793 Panama City Telemetro Television Network in Spanish 1730 GMT 18 Jun 93

[Text] Carlos Landero, who up to 17 June was deputy director of the Judicial Technical Police [PTJ], said that his removal from the post is unfair.

PTJ Deputy Director Carlos Landero arrived this morning at the Supreme Court of Justice to present his letter of resignation to the Supreme Court president. On his way out he spoke to the press:

[Begin recording] [Unidentified reporter in progress]....at this stage of the game, after you have been in the post?

[Landero] I definitely consider it unfair because I have 13 years of service; I am not a pinch-hitter. Of the 13 years of service, eight years of continuous service have been fighting mainly drug trafficking criminals and this had made me many enemies.

[Reporter] You will definitely resign, then?

[Landero] Indeed. I have just presented my resignation; I do not want to remain in the post forever, I repeat, I am a professional. [sentence as heard] I hope that the situation for PTJ officials improves because there is much instability within the PTJ.

[Reporter] How true is it that [PTJ Director Jaime] Abad is sick and that is the reason you have to leave?

[Landero] Basically, I insist, and I said so yesterday, that Jaime Abad has created a internal structure within the PTJ. That is something I never went against and I have always worked in good faith. Perhaps he may think that if he is away from the PTJ, I might destroy that structure, which is totally false. I never hoped to become the PTJ director; I had 12 very long years of service ahead and the truth is I did not want to burn out, as it is commonly called.

[Reporter] Are political influences behind all this?

[Landero] I cannot say for sure. Law No. 16, which regulates the PTJ internally, allows the Supreme Court plenum to remove and appoint at their discretion PTJ directors, deputy directors, and secretaries general. [end recording]

An hour and a half after, the Supreme Court president, Government Minister Juan Chevalier, the National Police director, and other high-ranking officials held a news conference to discuss the PTJ deputy director's case.

[Begin recording] [Supreme Court President Carlos Lucas Lopez] It is a necessity that the PTJ deputy director be a lawyer by training. Due to fully justified leave of absence that was granted to the PTJ general director some days back, the fact that the director in charge has to be a lawyer when taking over the post in the event the director is away on leave or temporarily absent for any other reason, made it urgent to appoint such a lawyer as deputy director. Mr. Landero understood this perfectly well and promised me his letter of resignation the following day. This allowed for this change in the PTJ directorate to be carried out without any sort of difficulty.

[Abad] I want to reiterate to the media that in 1992 both Landero and I tendered our resignations following charges made against me by removed Attorney General Rogelio Cruz stating that I lacked discipline and was a rebellious subordinate. I have to admit that at the time, Landero generously signed with me a document tendering both our resignations to the Supreme Court. I believe that document was published by many of the media that are present here.

[Reporter] Landero has raised questions about your work at the helm of the PTJ. He says that you have not respected seniority within the PTJ and have granted exaggerated salary increases to some officials directly under you in order to favor certain administrative whims of yours within the institution. Is this true?

[Abad] I repeat, I cannot make any comments until I hear the statement. I believe that like the rest of the people at this table, we have not heard these statements. I do not want to continue giving an opinion on something about which I have no knowledge. [end recording]

Former Guatemalan President To Reside in Panama

PA2006182893 Panama City CRITICA LIBRE in Spanish 19 Jun 93 pp 2, 37

[Article by Florencio Galvez F.]

[Text] On 18 June it was learned that former Guatemalan President Jorge Serrano Elias, who sought asylum in Panama two weeks ago, will reside in Panama.

Serrano made this announcement following a two-hour meeting with Foreign Minister Julio Linares.

The former Guatemalan president expressed his surprise at the large number of lies and rude things being said about him. Serrano made this statement in regard to the alleged charges "of corruption and illegal acquisition of riches" made against him following his 25 May self-inflicted coup.

In reference to the late Panamanian leader Dr. Arnulfo Arias Madrid, the overthrown Guatemalan politician said that "he was a political leader who was vilified," and added that "all we have left is time, and time will tell the truth; I am not going to defend myself."

In light of the reporters' insistence, Serrano stressed: "I have every intention of discreetly establishing myself in Panama because the Panamanian people have been extremely nice to me."

"I will return to Guatemala if I can, but for the time being I am not planning to do so," Serrano said when asked if he had plans to return to Guatemala, where he has been charged with alleged corruption and a warrant for his arrest has been issued.

Serrano added that his country "needs peace and tranquility and I hope that they will find the path to stability," adding that he hopes it will be soon.

Meanwhile, the new Guatemalan president, Ramiro De Leon Carpio, said that his government is proceeding to request the extradition of former President Jorge Serrano Elias.

Serrano, his family, and former Government Minister Francisco Perdomo are staying at a first class hotel in Panama City and all expenses are being covered by the Panamanian Government.

Human Rights Group Questions Asylum

PA1906130393 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Jun 93 p 1

[Article by Euclides M. Corro R.]

[Text] The Panamanian Human Rights Committee [CPDH] on 17 June voiced its stand with regard to the presence in Panama of former Guatemalan President Jorge Serrano Elias, pointing out that the asylum that has been granted "jeopardizes basic principles of ethics and political morality that nations and governments should observe in their actions."

On questioning the action by the Panamanian Government, the CPDH warns that "there is an evident contradiction with the Bethancourt Doctrine" when a government action "favors impunity for the main promoters of international illegality."

In another part of its communique, the CPDH adds that it is concerned because granting political asylum to Serrano "could harm the right to justice of the Guatemalan citizens whose human rights were violated during the administration of the former president."

The committee also advises that "this action undermines another pillar of Panamanian foreign policy, that is, the respect for human rights," adding that "there has been a break with the stands defended before by the Panamanian Government"

The CPDH concluded its communique recommending that the government of President Endara "carefully study any request for extradition that the current Guatemalan Government may present in the future."

Adviser Says U.S. Army 'Impedes Economic Development'

PA2006205993 Panama City ACAN in Spanish 1454 GMT 19 Jun 93

[Report by Hernan Bahos Ruiz]

[Text] Panama City, 19 Jun (ACAN-EFE)—The U.S. Army garrison stationed on the banks of the Panama Canal is a "retaining wall" that has impeded Panama's economic development, a Panamanian government adviser has said.

Carlos Ernesto Gonzalez de la Lastra, member of the Presidency ad hoc commission for Canal administration, told ACAN-EFE that his country has lost "incalculable benefits" because of the occupation by the United States of approximately 1,676 square km of territory adjacent to the waterway that joins two oceans.

"The U.S. Army has acted as a retaining wall against all commercial and industrial activities in the Canal area." He added: The possibility of economic development was truncated in 1903, since the dawn of our Republic, when Panama separated from Colombia with U.S. support.

The military complex, worth between $30 and $40 billion—consists of facilities, industries, ports, and airports which, according to the expert, could serve as support for international navigation and trade.

U.S. troops, some 10,000 men, started to vacate their bases this year in fulfillment of the treaties signed in 1977 by the now deceased General Omar Torrijos and then U.S. President Jimmy Carter. The treaties stipulate the Panama Canal's transfer to Panama on 31 December 1999. Gonzalez de la Lastra said that, now that Canal areas are being transferred to Panama and the Interoceanic Regional Authority [ARI] has been created, "it is necessary to go beyond discussing whether or not Panamanians can manage the Canal and deploring the military bases' closure."

(The objectives of ARI, an autonomous organization with its own legal status and created by the Legislative Assembly, include planning on, developing, and managing the Canal areas that the United States will transfer to Panama.)

Panama must "bet on " the development of a maritime strategy based on an International Cargo Center and a Free Zone supervised by an agency capable of administrative and financial flexibility and autonomy, he said.

"The concept that the Canal is only a waterway for the passage of ships must change" if the country is interested in development according to the progress of trade.

Maritime activities are responsible for 20 percent of the gross national product, an amount which represents one-fifth of the total goods and services produced in the country.

In 1992, the Panama Canal Commission reported the passage of 12,454 ships (118 less than in 1991), which paid tolls amounting to $366 million, $6 million less than two years ago.

De La Lastra said that traffic through a maritime canal includes more than ships in transit. According to official estimates, more than 30 ships daily wait between 12 and 24 hours for their turn to traverse the 80-km-long Canal.

He believes the lack of a maritime strategy has prevented the creation of some 10,000 jobs in fields like ship repair and maintenance and serving the crews and tourists who traverse the Canal or navigate Panama's coasts. The waterway presently employs 2,330 persons.

He also believes the failure to take advantage of the Canal administration "to a large extent" is due to the absence of an agency that can draw and implement plans to serve Canal users.

At present, the Canal is managed by the Panama Canal Commission, a U.S. federal agency, whose function it is to recover all of the Canal's expenses through toll collection but without stimulating industrial or commercial activities in the Canal area.

Court Dismisses Charges in Giroldi Assassination

PA1906215293 Panama City EL PANAMA AMERICA in Spanish 18 Jun 93 p 5A

[Report by Juan Pritsiolas]

[Text] The Second Higher Criminal Court has issued a resolution staying criminal proceedings against two former members of the now defunct Panama Defense Forces who had been accused of assassinating Major Moises Giroldi, former Urraca Company commander.

Acting on a proposal sponsored by Magistrate Elvia Batista, the Court definitively dismissed charges against pilot Jaime Nelson Trujillo and photographer Crescencio Georget Castillo.

Although the two men were interrogated during the investigation of Giroldi's death, the Court ruled that the two men had not perpetrated, masterminded, or been accomplices to the perpetrators of the crime.

The Fourth Higher Prosecutor's Office had requested that charges against Trujillo and Castillo be dropped.

Former General Manuel Antonio Noriega, Heraclides Sucre, Ramon Diaz, Camilo Vega, and Lucinio Miranda now stand indicted for Giroldi's assassination.

Giroldi was executed at the Tinajitas garrison on 4 October 1989 after an aborted attempt to oust Gen. Noriega.

Argentina

Defense Minister Criticizes U.S. Ambassador on Condor-2

PY2006002193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1620 GMT 19 Jun 93

[Text] Buenos Aires, 19 Jun (NA)—Defense Minister Oscar Camilion today disagreed with U.S. Ambassador Terence Todman, describing as "totally out of place" some remarks about him made by the U.S. diplomat over the dismantled Condor-2 missile project.

Shortly after learning of the remarks made by the U.S. diplomat, who will be replaced by James Cheek within a few days, the minister said: "I would not have made such (Todman's) remarks."

Thus, after a meeting with Deputy Foreign Minister Fernando Petrella and high-ranking Foreign Ministry officials at San Martin Palace, the defense minister disputed the remarks made yesterday by Todman concerning the minister's personal stance on the missile project.

Discussing an alleged dispute between Foreign Minister Guido Di Tella and Oscar Camilion over the Condor-2 issue, Todman stressed: "The president (Carlos Menem), who is the commander in chief, has made a firm and clear decision. Thus, the people merely have to obey their orders."

For his part, in remarks made in London, Foreign Minister Guido Di Tella today stressed that Todman "does not give any orders" to any Argentine official. The foreign minister pointed out that the government is interested in "establishing an optional space system."

The foreign minister said: "We are interested in the post-Condor situation."

In remarks to a radio station, Camilion added that "an inappropriate emphasis has been placed" on the Condor-2 issue.

Camilion explained that "I personally would not have made" Todman's remarks. He noted that "they are totally out of place."

Todman also announced that a mission from the U.S. Trade Development Agency [preceding three words in English as received] will visit Argentina by mid-July to analyze, together with national authorities, the peaceful use of the Falda del Carmen complex where the Condor-2 missile project was dismantled.

Camilion reiterated that the Argentine Government "will dismantle" the missile project, "it will place" the missile parts "at the disposal of any international organizations," and it "will use them for any other use that can be clearly legalized." [sentence as received]

"This is a government decision that will be complied with," he said.

He stated that "all ambassadors have the right to ask for what corresponds to the interests of their country," adding that "they may also do so by resorting to non-diplomatic conventional rules."

"If an ambassador asks for something within the diplomatic rules, or if he asks for something considered not convenient to grant, it is all right, but it is something else if he asks for something outside diplomatic rules."

He said that "the missile parts were sent (to the United States) as they turned up," adding that "the Armed Forces did what they considered they had to do for the country's well-being."

Finally, Camilion stated that Todman "did not ask" for the retirement of any Air Force commodore involved in the Condor-2 project.

The visit by the Trade Development Agency [preceding three words in English as received] experts will take place at a time of increasing U.S. "pressures" on Argentina to definitively dismantle the Falda del Carmen plant located in Cordoba Province.

Todman even said yesterday that some missile parts still must be delivered and that President Menem "must make a decision about this subject."

Sources Say Other Missiles From Condor-2 Parts Worry U.S.

PY2006004793 Madrid EFE in Spanish 2223 GMT 19 Jun 93

[Excerpt] Buenos Aires, 19 Jun (EFE)—The United States insists on demanding that Argentina destroy or turn over the allegedly lost parts of the Condor-2 missiles, some of which, paradoxically, were manufactured by U.S. companies.

Washington's objective is not only to totally deactivate the Condor-2 program—given that the missiles have not been produced since 1989—but also to prevent its "eggs" from hatching, giving birth to new creatures in the program initiated by the Argentine Air Force in 1979.

The Pentagon fears the possibility that the solid fuel mixer [mezcladora de combustible solido] installed in the secret factory in Falda del Carmen in Cordoba "might serve for the rebirth of the Argentine military program," Argentine Government sources who asked to remain anonymous told EFE today.

"That machine, the mixer, is U.S. made, and what the Argentine Air Force was asking for—until the moment when the factory was transferred to the Argentine presidency in January this year—was that the U.S. company that sold it to Argentina return the money. Then if the Americans wanted to take it back or destroy it, it would have been their business," said an Air Force source once connected with the Condor-2 program.

However, the solid fuel mixer machine has a greater strategic value for Washington: It loads missiles smaller than the Condor-2, the Alacran [Scorpion], with a 200- or 300-km range, but with a capacity, similar to that of its "parents," of carrying about 500 kg of explosives.

Nobody has spoken so far about the Alacran, but if these missiles are equipped with a precise control and guidance system and carry either a nuclear or chemical warhead, they could have a lethal power similar to the Condor-2.

A possible place where they could be used, where there are short distances, is the Middle East. An ideal target: Israel.

The possible purchasers, according to the scenario discussed in the Pentagon, are the same Arab countries that have always been interested in the Condor technology: especially Syria, although Libya and Iraq cannot be ruled out. [passage omitted]

Official Admits 'Some' Condor-2 Parts Not Delivered Yet

PY1906025593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0224 GMT 19 Jun 93

[Excerpt] Buenos Aires, 18 Jun (NA)—The Argentine Foreign Ministry today reported that an American mission will visit Argentina by mid-July to analyze, together with Argentine officials, the peaceful use of the Falda del Carmen complex, where the Condor-2 missile project was dismantled.

The visit was announced this morning by U.S. Ambassador Terence Todman after a meeting in San Martin Palace with Foreign Ministry officials.

The visit by Trade Development Agency [title in English as received] experts will take place at a moment of increasing U.S. "pressures" to make Argentina definitively dismantle the plant located in Falda del Carmen, Cordoba Province.

Secretary General of the Presidency Eduardo Bauza admitted that the U.S. Government "expressed its wish to definitively put an end" to the missile project.

Bauza admitted yesterday that "some elements" from the deactivated missile "still must be delivered" to the United States, meaning three guidance mechanism computers that are the intelligent components of the Condor-2.

In turn, the Foreign Ministry said that Todman came to San Martin Palace "to report that as result of the total dismantling" of the missile project, a Trade Development Agency mission will come to the country. The Foreign Ministry did not give any further details. [passage omitted]

Ministry Official Says Condor Missile 'Never Existed'

PY1806195593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1435 GMT 18 Jun 93

[Text] Buenos Aires, 18 Jun (NA)—Foreign Ministry Secretary General Andres Cisneros has said: "The Condor missile never existed." Cisneros called on former Defense Minister Horacio Jaunarena (UCR) [Radical Civic Union] to explain "what funds were used to finance the project, who were our foreign partners, and where did they come from," among other things.

Cisneros is maintaining a controversial discussion on the issue of the Condor-2 project with Jaunarena. He said he did not know "if mounting a mass destruction weapons industry was a good idea 17 years ago, what I can say now is that the idea was clearly wrong by 1990."

"The Condor project is a child of the last military government and the government that decided to continue the project," Cisneros added.

Answering Jaunarena's remark, the foreign official said that the phrase "carnal relations with the United States, which is attributed to Foreign Minister Guido Di Tella, never intended to be anything but a simple metaphor applied to an obvious problem."

Cisneros said: "It is precisely because we want to improve, not impair, our work for the national interest that this government has proposed lowering the confrontation threshold to the minimum and thus began a new era of relations with more beneficial opportunities."

In a note published by CLARIN today, Cisneros says: "Di Tella's remark alludes to this historic change, but apparently there are people who do not understand carnal relations in any other way than the action by which one person necessarily subdues and humiliates the other."

Cisneros said that millions of people "enjoy carnal relations that are full of dignity and rich content for both parties, and this is all that what was meant by the metaphor."

Regarding the Condor project Cisneros said that "in those years—the last military regime—three large projects were launched: The manufacturing of tanks, submarines, and the Condor missile. But we did not sell tanks to anyone, submarine hulls are lying unfinished at Domecq Garcia, and we never had a single Condor."

Cisneros said: "Everything seems to indicate that whatever was built in Argentina under that name was quickly taken to another country, even during the period that Jaunarena was minister."

The Foreign Ministry official called on Jaunarena to explain "with what funds was the project financed, who were our foreign partners, what country were they from, what were the terms of the political agreement closed with them, exactly what was manufactured in the country, and last and most important, why were they

allowed to take the missiles out of the country, because not a single one remained in Argentina?"

"If Jaunarena or any other citizen or political party agrees to allocate thousands of millions of dollars to manufacture mass destruction weapons he or they should propose it to Congress, even though I do not think they would dare," Cisneros concluded.

Justicialists Ask Government To Lift Condor Secrecy

PY1806192293 Buenos Aires TELAM in Spanish 1317 GMT 18 Jun 93

[Text] Buenos Aires, 18 Jun (TELAM)—The Justicialist Party [PJ] has asked the government to lift the secrecy over the dismantled Condor-2 missile so that Congress, through a congressional investigating committee, can obtain access to the documentation on this project.

Moreover, the Radical Civic Union [UCR] has added to the controversy a few weeks ago over President Carlos Menem's trip to the United States by stating that the Bill Clinton administration is "pressuring" Argentina "for commercial reasons."

Through a bill promoted by Defense Committee Chairman Miguel Angel Toma, the ruling PJ proposed the establishment of a congressional committee to investigate political, economic, and military aspects that resulted in the design and construction of the dismantled Condor-2 missile.

Deputy Toma also proposed the lifting of the state secrecy clause imposed on the Condor-2 missile to obtain access to all the documentation, which is in the hands of the government or private companies involved in the project.

Moreover UCR Deputy Conrado Storani Jr. accepted the possibility that Congress may intervene in the affair through an investigating committee. Storani, however, advocated safeguarding those "scientific secrets" that resulted in the creation of the Condor-2, saying that "we cannot freely surrender such information."

Storani, who is defense committee deputy chairman, told TELAM that "we should not accept pressures" from the United States.

Storani asked to continue "with the development of this missile using state-of-the-art technology." He also suggested that Condor-2 may be used "to launch low earth orbiting satellites" so that Argentina may actively participate in the commercial market that today is dominated by the United Sates, Russia, Japan, and China.

The destiny of the missile built at the Air Force industrial plant in Falda del Carmen, Cordoba Province, will be the center of a congressional discussion on 22 June when Defense Minister Oscar Camilion will brief the Chamber of Deputies Defense Committee.

Although this briefing was originally summoned so that Camilion could answer questions on alleged corruption at the Magdalena penal institute, where painted-face leader Mohamed Ali Seineldin is imprisoned, Deputy Toma said that "there will be an open agenda" and that the main issue of discussion will be Condor-2.

Octavio Frigerio, a former member of the Movement For Integration and Development who recently joined the PJ, warned that "the intention of some sector to safeguard parts of a weapons project is completely inconsistent" with the international policy promoted by Argentina.

Bolivia

Armed Forces Criticize Chilean Refusal To Grant Sea Outlet

PY1806211393 Cochabamba LOS TIEMPOS in Spanish 11 Jun 93 Section A p 1

[Text] La Paz, 10 Jun (ANF)—The Armed Forces harshly criticized Chile's refusal to grant a sea outlet to Bolivia. Pointing to the UN international courts as the proper forum, Navy Commander General Admiral Miguel Alvarez said our country must "denounce the 1904 Treaty" as an alternative to resolving our country's landlocked situation vis-a-vis Chilean intransigence, which was confirmed during the last OAS Assembly.

For the third time, the Bolivian Foreign Ministry repeated before the 23d OAS Assembly in Managua the necessity of an outlet to the Pacific Ocean, an outlet that was usurped by the Chilean Armed Forces during the [Pacific] War on 14 February 1879.

While Foreign Minister Ronald MacLean proposed "a peace and integration strategy that will prompt direct negotiations," the Chilean OAS representative repeated that "the territorial problems raised by Bolivia have been resolved." Nevertheless, the two delegations admitted that the tense relations that existed in the past have improved substantially.

At Government Palace yesterday, Adm. Miguel Alvarez—visibly annoyed and raising his voice—harshly criticized the Chilean refusal.

Annoyed, the Bolivian Navy commander said: "Chile continues practicing the policy devised by [influential businessmen and war minister from 1830-1837] Diego Portales. Chile continues implementing a century-old policy. This is the Chilean Government's slogan." Acting Commander in Chief General Hernan Lara Paravicini refused to make any remarks to journalists.

The Navy commander stressed: "We must seek new formulas for our international policy." He emphatically said: "The 1904 Treaty must be denounced," adding that this may be "one of the solutions."

The Navy commander added: "It is necessary to denounce the negative attitude of the Chilean state before the UN international courts in Geneva."

According to bibliographic references, the 1904 Treaty was signed on 20 October 1904 during the government of Ismael Montes [Gamboa, Bolivian president in 1904-09 and 1913-17]. In compliance with this bilateral treaty,

Bolivia gave up its coastal area in exchange for the Arica-La Paz railway, the payment of 300,000 pounds, and the free passage of Bolivian exports and imports.

Adm. Alvarez said: "Chile has constantly denied Bolivian history and Bolivia's legal and geographical rights." He stressed that our country must seek formulas to find the best agreement within the framework of integration with the rest of the continent.

The Foreign Ministry's proposal to achieve a deal through Peru is respected by the Navy. Adm. Alvarez said: "We believe the fair play we are proposing will be advantageous to the three countries within the South American integration effort."

Armed Forces Renew Democratic Calling, Reject Coups

PY1806202893 La Paz PRESENCIA in Spanish 7 Jun 93 p 10

[Text] Totally and fully supporting our country's democratic process, the Armed Forces yesterday expressed their flat rejection of any attempt to disrupt the state of law that has prevailed in Bolivia since 1982.

Oscar Vargas Lorenzetti, the Armed Forces commander in chief, said coups d'etat, which were so frequent for two decades in Bolivia, have been completely eliminated. In turn, Army Commander-in-Chief Oscar Escobar Quiroga said the military plays a new role in the democratic system.

Vargas said: "The Armed Forces abide by the law, which is very clear. The political organizations, and not the Armed Forces, are the ones that must seek alternatives. We obviously will have the citizenry's vote respected."

Vargas added: "That issue of disrupting democratic systems must be ruled out. The state of law cannot be disrupted. This represents a responsibility for the Armed Forces and for all citizens. We must strengthen and enhance the democratic process."

For his part, the Army commander said the Army fully trusts that yesterday's elections will strengthen democracy.

Escobar said: "The Bolivian people have demonstrated a praiseworthy interest in participating in these elections and maturity to strengthen this type of vine."

Escobar added: "We hope the new government will favor our country's progress, interpret our people's aspirations, grasp the voters' sentiments and goals, and, of course, grasp the soldiers' sentiments, that is, having the minimum funds to effectively discharge their duties."

FELCN Confiscates 700 Kg of Cocaine Headed for Colombia

PY1806210193 La Paz PRESENCIA in Spanish 5 Jun 93 p 7

[Text] Social Defense Under Secretary Gonzalo Torrico has reported that an antidrug operation was carried out yesterday, during which the Special Antinarcotics Force (FELCN) seized 700 kg of cocaine and arrested a large number of Bolivians and Colombians.

During a news conference, Torrico said that the antidrug operation, which conducted with the knowledge of the DEA, resulted in the confiscation of a cocaine shipment that was about to be sent to Colombia where it was to be marketed by the abominable Cali Cartel, one of the most violent.

Torrico added: "A total of 700 kg of cocaine, almost one metric ton of cocaine, was seized during this operation in San Joaquin, Beni department."

He said: "Several Bolivians and Colombians—although the latter nationality has yet to be confirmed—were arrested during this operation. The drug was for the Cali Cartel in Colombia."

Torrico said that yesterday's antidrug operation is a harsh blow to the operation that some foreigners conduct in the country with the purpose of exporting Bolivian drugs to the U.S. and European markets.

The presence of Colombian drug traffickers in Bolivia has been repeatedly confirmed by Interior Ministry officials who added that they have no chance of succeeding in Bolivian territory.

In and interview granted to PRESENCIA, Interior Minister Carlos Saavedra said that the presence of Colombian drug traffickers in Bolivia does not pose a threat to national stability, on the contrary, their activities are controlled.

Brazil

President Orders Protest of U.S. Official's 'Criticisms'

PY1906000693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Jun 93

[Excerpt] Brazil has reacted to criticisms by a U.S. diplomat during a lecture at the U.S. Chamber of Commerce. President Itamar Franco wants to hear the explanation of U.S. Ambassador Richard Melton, who currently is meeting with acting Foreign Minister Luiz Felipe Lampreia at the Foreign Ministry.

President Itamar Franco has summoned U.S. Ambassador Richard Melton to explain the remarks uttered in Washington by a U.S. diplomat who returned to the United States after spending three years in Brazil. [sentence as heard]

The diplomat accused the Brazilian Foreign Ministry of complicating relations between Brazil and the United States. According to the diplomat, the things that harm Brazilian-U.S. dialogue range from political positions the United States believes to be erroneous to a certain amount of naivete displayed by the Brazilian Government.

President Itamar Franco said the U.S. ambassador will have to give an explanation and instructed the Foreign Ministry to issue a note of protest. [passage omitted]

Incident With U.S. 'Closed'

PY1906005693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Jun 93

[Text] The meeting between acting Foreign Minister Luiz Felipe Lampreia and U.S. Ambassador Richard Melton finished a short time ago. Our reporter Alexandra Anselmo has some news for us from the Brazilian Foreign Ministry:

[Begin recording] U.S. Ambassador Richard Melton left the Foreign Ministry a short time ago. He said the remarks by U.S. State Department official Myles Frechette do not reflect the opinion of the U.S. Government. The U.S. ambassador had been summoned by acting Foreign Minister Luiz Felipe Lampreia on instructions from President Itamar Franco.

Minister Lampreia conveyed to Ambassador Melton the Brazilian Government's surprise over Myles Frechette's remarks, made during a debate at a U.S. university.

Ambassador Melton said he read about Frechette's remarks in the newspapers, adding that Frechette does not hold any key position in the U.S. State Department. As far as Ambassador Melton is concerned, Frechette's remarks do not jeopardize U.S.-Brazilian relations.

Acting Foreign Minister Luiz Felipe Lampreia agreed with Ambassador Richard Melton, and said he was satisfied with the information he received from the ambassador. As far as Minister Lampreia is concerned the incident is closed. [end recording]

Franco, Privatization Committee Discuss Corruption Charges

PY1806174893 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 18 Jun 93

[Text] Senators and deputies from the Privatizations CPI [Congressional Investigating Committee] yesterday went to Planalto Palace to ask President Itamar Franco to suspend the sale of the Ultrafertil and Petroquimica Uniao companies. During the meeting, the congressmen argued that there are irregularities in the privatization process. This argument angered Itamar Franco.

The meeting was very tense.

[Begin recording] [Reporter Luiz Augusto Mendonca] President Itamar Franco listened to the congressmen, but became angry when Deputy Paulo Ramos from Rio de Janeiro's PDT [Democratic Labor Party] and Deputy Jaques Wagner from Bahia's PT [Workers Party] said there was corruption in the government.

The president banged his fist on the table, warning everyone not to compare his government with others. He also said: Whenever congressmen raise charges, they should also produce evidence, thus enabling the president of the Republic to punish corrupt officials.

[Franco] The senator already said he will not present his report. I cannot allow a national senator to suddenly say there is corruption. Please, indicate where there is corruption. If there is corruption in the municipal government, it is a municipal government problem. If there is corruption in another branch, then it is that branch's problem.

Nevertheless, if there is corruption here in the executive branch, I earnestly ask Congress to indicate where there is corruption so that I will be able to stop it now and not later.

[Unidentified speaker, interrupting] But Mr. President ...

[Franco, interrupting] Not when it occurs to a national senator to say there is corruption but he does not pinpoint this corruption; otherwise, we will remain [words indistinct] ...

[Unidentified speaker, interrupting] [words indistinct] the meeting, Mr. President.

[Franco, interrupting] If I believed it exists philosophically...

[Unidentified speaker, interrupting] You do not have to ...

[Franco, interrupting] This is a different issue. It is a factual issue. If I ask you; Is there any corruption? I want to hear; Yes there is, so that I can ask; Is it in this or that government area, in area a, b, c, d? Are Tom, Dick, or Harry are involved? That is what I want, that is what I desire, and that is Congress' duty.

[Mendonca] Economy Minister Fernando Henrique Cardoso was the last one to speak. He said the CPI was not formed to present conjectures, it was formed to present facts. He also recalled that the privatization program and the privatization program committee were approved by Congress. [end recording]

CPI Speaker: No Evidence of Corruption

PY1906011393 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Jun 93

[Text] The Privatizations CPI [Congressional Investigating Committee] has no evidence of cases of corruption in the privatization process. CPI Speaker Senator Amir Lando said that for the time being the committee is simply investigating suspected irregularities.

[Begin recording] [Bette Veloso from Congress] According to Sen. Lando, the Privatizations CPI will not be taking any evidence of corruption in the privatization process to President Itamar Franco. He believes that yesterday's meeting during which President Franco got angry with Deputies Jacques Wagner and Paulo Ramos because of what they had said will not jeopardize the relationship between the two branches of government. Lando said the deputies were misinterpreted.

[Lando] The CPI did not go to see the president to levy charges but to convey ideas regarding the need to suspend certain privatization sales in order to investigate suspected irregularities. [sentence indistinct]

[Veloso] Senator Amir Lando stated that the CPI will continue to do its work normally and will hear three witnesses next week: Destatization Commission member Ruy de Castro, Labor Force President Luiz Antonio de Medeiros, and Triumfo petrochemical company director Boris Gorentzvaig.

Any facts or evidence will be conveyed to the administration at the end of the investigation. [end recording]

Former Privatization Commission Head Reports on Losses

PY1806191793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 93 Economy and Business Section p 5

[Report by Aldo Renato Soares]

[Text] Brasilia—Former PHD [National Privatization Program] Vice President Joao Agripino Maia yesterday told the Congressional Investigating Committee [CPI] supervising the PND that the sale of 18 state companies cost the state $3.2 billion in damages to December 1992. CPI members want an audience with President Itamar Franco to ask him to suspend the privatization auction of Ultrafertil [fertilizer plant] scheduled for 24 June in order to prevent further losses. CPI Coordinator Senator Amir Lando (PMDB-RO) [Brazilian Democratic Movement Party - Roraima] said: "It is better for Congress to take precautions now than risk being accused of negligence in preventing the squandering of the public patrimony later."

Deputy Pedro Valadares [PP-SE] [Popular Party - Sergipe] proposed the suspension of the privatization program until the CPI concludes its inquiry on 26 August, but the commission did not vote on the proposal. Some CPI members think the measure would be rejected by the government which is intent on accelerating the sale of state companies. Deputy Jose Tomas Nono (PMDB-AL) [Alagoas] will ask the CPI to seek a Federal Supreme Court injunction to postpone the Ultrafertil auction.

Maia said irregularities with the privatization process during the Fernando Collor administration continue today because PND managing commission members have not been changed. According to Maia, all privatized companies were undervalued and PND members did not discuss the matter. Sometimes evaluation documents arrived at the commission only hours before the meeting to define the date for the privatization, Maia said.

The only occasion when the government obtained profits was when six petrochemical companies were privatized, "if we consider poor and depreciated currencies as profits," Maia said. In this case the government invested $352 million to clean-up the companies financial situation and sold them for $797 million. In the case of the five iron and steel companies the government invested $6 billion but obtained only $2.4 billion, while in the case of three fertilizer plants the treasury invested $433 million but received only $201 million in return.

Yesterday Maia asked permission to leave his post at the commission. He supported the proposal to postpone the Ultrafertil auction and a PHD reevaluation of the case. He doubts the evaluation made by Trevisan Associates which in November acted as a consulting firm for one of the consortiums interested in purchasing the firm. The first evaluation set the price at $402 million. The second evaluation set the price at only $186 million. Trevisan finally set the price at $204 million after the PND commission president said $200 million would do.

Maia questioned the presence of Vladimir Antonio Rioli in the PND managing commission. The TCU [National Accounting Office] has said he is involved in fraudulent operations at the Sao Paulo Iron and Steel company. In the same case—involving preferences with the company Persico Pizzamiglio—the TCU indicted, among others, Andre Franco Montoro Filho, the managing commission president.

PTB President Paiva Muniz Dies of Heart Attack

PY1806212793 Rio de Janeiro O GLOBO in Portuguese 14 Jun 93 p 4

[Excerpts] Brazilian Labor Party (PTB) President Luiz Gonzaga de Paiva Muniz, 68, died in Rio de Janeiro yesterday. He was spending the weekend at his farm in Pedra de Guaratiba when he had a heart attack in the early hours of the morning. Paiva Muniz was taken by his son to the Rocha Faria Hospital in Campo Grande, but was declared dead upon arrival. According to his friends, Paiva Muniz had been having health problems since 1988. [passage omitted]

As a consequence of Paiva Muniz's death, Federal Deputy Gastone Righi from Sao Paulo State will act as president for one month. Elections will later be called.

Drug Traffickers Reported To Launder $4 Billion per Year

PY1906174793 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Jun 93 Section 3 p 1

[Report from the Brasilia bureau]

[Text] The government estimates that drug traffickers launder some $4 billion per year within the Brazilian financial system. According to Fernando Fernandes, director of the Coplane [the Finance Ministry's Commission for the Planning of and Fight Against Smuggling], this figure, approximately 1 percent of the gross domestic product, can "easily be filched" due to the country's inefficient fiscal control.

During the Seminar on the Policy for the Prevention of and Fight Against Drugs which opened 16 June in the Chamber of Deputies, Fernandes explained that this estimate cannot be confirmed exactly due to the lack of control mechanisms.

Isak Barreto, the president of Confen (Federal Drug Council), indicated that only a well-organized tax police can repress drug trafficking in the country.

Barreto believes that Brazilian police must be motivated by the arrest and imprisonment of Al Capone by the U.S. organization the FBI. The criminal went to prison on tax evasion charges.

He indicated that the most recent investigations reveal an "ever-increasing scare factor" in the use of drugs by young people. According to Barreto, the power of the drug trafficking sector can even threaten institutions. "Drug

trafficking has infiltrated political power, and Brazil will not be able to resist this," Fernandes said.

Admiral Mario Flores, secretary of the SAE (Strategic Affairs Secretariat), took advantage of the seminar to lobby [preceding word in English] the Calha Norte Project. He contends that the occupation of the northern border will inhibit drug trafficking in the region.

Flores indicated that the SAE is planning on the creation of a new information structure that will cooperate with the Federal Police in the repression of drug trafficking.

* Measures Designed To Stabilize Economy Discussed

93SM0303A Sao Paulo VISAO in Portuguese 2 Jun 93 pp 12-14

[Text] Hardly had he been sworn in when Minister of Finance Fernando Henrique Cardoso left to accompany President Itamar Franco on his trip to Argentina. But he left his team set up and promised that on his return he would submit a plan of action "devoid of magic tricks, to bring inflation down quickly" but to include strict controls over government spending. His purpose was twofold: to stabilize the economy, and restore the administration's credibility. "There is no intention to offer some miraculous plan or one that would involve intervention in the market, dollarization of the economy, or any other mechanism that would lead to an illusory rapid drop in the inflation rate," the minister said. At any rate, Fernando Henrique made it clear that he wants this to come about in a "persistent, continuous, manner based on the restoration of the government's credibility."

In his first contacts with the press, the new finance minister tried to show that he will be tough on public spending and maintain the basis of the program left behind by his predecessor, former Minister Eliseu Resende. He expressed concern about the debt load carried by the states and cities and by the state-owned banks which he sarcastically dubbed the "drainpipes of this Republic." And he demonstrated this intent by touting a tough policy as regards those expenses. Fernando Henrique thinks it is "unlikely that the state banks closed during the Collor administration will be reopened," and assured reporters that his team is programming a rigid control over public spending "so the federal government can set the example."

Signage

The criteria adopted by the minister in forming his team indicate that Fernando Henrique is not one to fool around. The minister intends to attack inflation on all flanks—foreign exchange, monetary, and fiscal—and, in the second phase, by strengthening an incomes policy involving interest rates, foreign exchange, wages, and prices. Special advisor, Prof. Edmar Bacha—one of the architects of the Cruzado Plan during the Sarney administration—who will be one of the leading mentors of the government's economic policy in this new phase, believes that to bring down inflation one must use every available tool, including government intervention in the incomes policy.

During Fernando Henrique's initial conversations with his team, a consensus was reached that no single anchor would be used—whether foreign exchange, as argued by Gustavo Franco, assistant secretary of economic policy, or monetary, as former Minister Paulo Haddad sought—since the minister's advisors do not believe inflation can be curbed in isolation.

Secretary General of the Ministry Clovis Carvalho and Secretary of the Treasury Murilo Portugal urged that the first measure be a spending cut and the maintenance of a rigorous control over the level of liquidity in the economy, in order to avoid financial imbalances. Meanwhile, Secretary of Economic Policy Winston Fritsch and Central Bank President Paulo Cesar Ximenes are in favor of also controlling the pressure of excess consumption on prices, and even suggest subjecting foreign exchange to the same control in order to bring it into harmony with the other instruments of economic policy.

Credibility

In terms of restoring the government's image as "serious," Minister Fernando Henrique Cardoso emphasizes a reduction in spending by the Treasury as a way of making viable a more effective economic policy. In the opinion of the minister and his key aides, if public spending is reduced, the Central Bank would not have to sell bonds to soak up liquidity and put pressure on interest rates. As for exchange policy, the goal is to release the Central Bank from the rigor with which it monopolizes trade in foreign currencies, thus opening the way for the financial sector, which is authorized to deal in those currencies, and freeing the government of the obligation to purchase the entire stock that enters this country. Those measures would enable the administration to recover its credibility and embark on a third phase: use of the incomes policy to deal a final blow to the inflationary inertia, which could not be broken only by fiscal and monetary policy moves.

Since the administration does not have time to wait for the effects of those first two phases, adoption of the incomes policy would be implemented by the negotiation route, through the sectoral chambers, by pre-fixing or quickly freezing prices in the economy. Although denied by the minister today—he emphasized his readiness [as published] to employ "magic"—such moves would not be ruled out since the specialists Fernando Henrique called on do not believe that the inflationary inertia can be destroyed unless there is a rupture in the price formation process. A dangerous road that can only be taken if the administration achieves a "national understanding."

It is along that line that Fernando Henrique plans to act, retaining advisors in Rio de Janeiro and in Sao Paulo (Edmar Bacha and Jose Roberto Mendonca de Barros) as constant interlocutors with business and union leaders and with consumers. "We want to see a persistent decline in the inflation rate—a continuous decline based on a restoration of credibility in the government and in the Treasury," the minister said.

Growth

Fernando Henrique's speech made it clear that as finance minister he intends to combine control of the inflation rate with a resumption of growth. Although orthodox economists feel it is impossible for the two to coexist, the minister was adamant: "In a country like ours, it is impossible to carry out an economic program that is supported by the public, without providing incentives for the resumption of growth." That is why his chief advisors acknowledge that the work done by the ministry may give some critical areas of society special treatment, through priority programs that will require "discipline, and cuts in other spending."

The scheme of an understanding with society preached by Fernando Henrique includes good relations between the finance ministry and the legislative branch, on which depends the passage of measures that must be adopted immediately in order to carry out the government program. Fernando Henrique has not lost sight of this. He reminds people that, since he came out of the Congress, "I have no trouble dealing with it." And before traveling to Argentina with President Itamar Franco's delegation to hold discussions with his Argentine counterpart, Domingo Cavallo, who carried out the Argentine dollarization plan, the finance minister talked by telephone with legislators from several parties and asked them to expedite the passage of the bill that contains the implementing regulations of the IPMF [Temporary Tax on Financial Transactions], whose revenues are considered "vital" for balancing the accounts this year. But Fernando Henrique stressed that "the government can legitimately demand that Congress and the public agree to new mechanisms for increasing revenue collection only if it demonstrates that it is restraining public spending."

Legacy

But things will not be as simple as they may appear. Minister Fernando Henrique Cardoso inherited a hefty bill from predecessor Eliseu Resende. He will find that the coffers of the National Treasury have an estimated potential deficit, as of May, of Cr[cruzeiros]$20 trillion (about $512 million at the commercial rate). The new minister has already ordered that this trend be reversed by cutting spending that had already been programmed, although he has not yet revealed where those cuts will occur. But ministry advisors observe that this figure still does not include the 85 percent salary raise granted for the civil service, which will not show up in the accounts until June and, according to experts, represents an estimated outlay of Cr$74 trillion. The plans left behind by Eliseu Resende called for a transfer of more than Cr$15 trillion in Pis/Pasep [Social Integration Program/Government Employees Welfare Fund] funds to the Ministry of Labor. One alternative would be a one-month postponement in the transfer of part of those funds, intended for the FAT [Worker Protection Fund], money that was not being used because the Congress still had not approved the federal budget. At any rate, the Treasury will not be able to postpone payment of about $25 trillion in interest on the domestic and foreign debt, or the constitutionally required transfers to states and cities that, according to the Federal Revenue Secretariat, will exceed Cr$35 trillion.

Once the budget has been approved, the federal government will be required to release funds for purchase of farm products; these were being released only partially by Bank of Brazil. Since the budget includes a huge deficit because of legislators' insertion of pork-barrel items for which there is no corresponding revenue, the administration will probably send Congress a bill vetoing this feasting at taxpayer expense. Furthermore, the Bank of Brazil has a Cr$300 billion credit relating to the equalization of interest rates, which also had not been paid because the budget had not been approved. As if that were not enough, the Federal Revenue Secretariat, which had forecast this month's revenues at about Cr$146 trillion, has seen its projection invalidated by the civil servants' strike; now Treasury experts are working with an estimate that actual tax collections will fall below Cr$140 trillion.

Sluggishness

Another serious problem to be faced by the government is the sluggishness with which measures submitted to the National Congress when the Itamar plan was announced are being handled. The crisis that culminated in the resignation of Eliseu Resende also affected the legislature, halting consideration of bills like the one calling for tougher penalties on oligopolies charged with abuse of trade, and the one that converts the CADE [Administrative Council for Economic Defense], now subordinate to the Ministry of Justice, to an autonomous body connected with Planalto Palace. Also not yet brought to the floor are two provisional measures: one that reduces the size of the fines for tax evaders who settle their accounts with the Federal Revenue Secretariat, and one that changes the rules of the SFH [Housing Finance System] so as to encourage home construction. The validity of these provisional measures expired on 24 May, so it is urgent they be voted on if they are to become law.

Also stalled are the antitrust law, a law that would expand foreign capital participation in privatization sell-offs, and the bill that regulates the IPMF. The government has already begun lobbying the legislators to treat all these measures as "urgent" and is counting on Fernando Henrique Cardoso's good reputation in Congress to achieve this. Before leaving with President Itamar Franco for Argentina, the president personally started talks in that connection with legislators who are associated with the administration. Fernando Henrique knows that he can count on his own party, the PSDB [Brazilian Social Democracy Party]. High-ranking *tucanos* attended his swearing-in ceremony and party President Tasso Jereissati, backed by Senator Mario Covas and sickly smiles of approval from Deputy Jose Serra, both leaders in Congress, emphasized that the PSDB was donning the Itamar administration team jersey and, with Fernando Henrique, taking command at Economy. [Box p 13]

Thorns in the Minister's Side

Here are some of the problems that Fernando Henrique will encounter in managing the economy:

- Inflation - forecast at 28 percent for the month of May, but could be higher if strict measures are not adopted.
- IPMF - The Congress has not yet passed the implementing regulations on the so-called "check tax." The minister wants to start collecting the tax on 15 July.
- Budget - Unbalanced. The minister promises to solve the problem by sending Congress a bill that cuts appropriations for which no revenue provision was made.
- Government employees - According to the minister, wage increases for the civil service will not follow the same criteria as used by the private sector, which was one of their demands.

[Box p 14]

Hard To Control

One of the first political problems Minister Fernando Henrique Cardoso will face is how to control state and municipal indebtedness. Studies are being made under the supervision of Central Bank President Paulo Cesar Ximenes, and one of the principal proposals he is considering is aimed at converting the state banks into independent institutions that would be prohibited from financing the state and city government treasuries. The mere suggestion torments the governors of the many states whose financial survival depends on contributions of funds from the official banks.

Partly because of this, most state banks face financial problems. The minister has already asked Ximenes to submit a report on the status of each of those financial institutions, including current figures on their recourse to "liquidity loans" from the Central Bank. The objective is to establish limitations, including fines, on state banks that systematically resort to the Central Bank to balance their books. In short, what the government intends to do is liquidate several state banks, which will be another headache for Fernando Henrique since it would put the central government on a collision course with the state governors who, seeing their interests thwarted, would mobilize their congressional delegations, who have similar interests, and thus unite to defeat the common enemy.

If he manages to escape that predicament, Fernando Henrique will be able to advance the idea, so far held only by Ximenes, of extending to all federal banks the rule that directors may serve a maximum of one two-year term and that their appointments must be approved by the Senate. Within the Congress, this proposal is so far favored only as regards the Central Bank, but the plan is to extend it to Bank of Brazil, the Federal Savings Bank, Banco do Nordeste do Brasil, and Banco da Amazonia.

Chile

Argentine Proposal To Compensate Statistics Rate Rejected

PY1906130493 Santiago EL MERCURIO in Spanish 3 Jun 93 p B2

[Text] The Chilean Government has rejected the Argentine proposal to compensate for the damage caused to Chilean exports by the increased statistics rate. This response will officially be handed over today by the Foreign Ministry to the Argentine Embassy in Santiago.

The report was released by Economy Minister Alvaro Briones, who said that the Argentine proposal does not sufficiently compensate for the damage caused to national products by the Argentine Government decision last year to increase from 3 to 10 percent the statistics rate, which is imposed on all articles exported to its market.

In general, the proposal offers a maximum preference of 50 percent to overall national exports, while Chile would grant a maximum of 30 percent. It also establishes a list of exceptions.

This would be in effect for as long as the statistics rate increase remains in effect.

Alvaro Briones said that by Chile not accepting the Argentine proposal, which was submitted at the last meeting of the administration council of the economic complementary agreement held by the two countries within the framework of ALADI [Latin American Integration Association], all direct negotiations are hereby concluded, and the second stage should begin as provided for in the mechanism to resolve controversies established in the treaty.

Briones added that this treaty states the issue must be analyzed by the council of the agreement which consists of four members: two from each country. Representing Chile, the members are Alvaro Briones himself, and Eduardo Moyano, director of International Economic Relations.

This council, he said, must meet within 10 days. This period begins today, when the Argentines are informed that Chile has not accepted the proposal.

Briones said that Chile will argue that the readjustment of the statistics rate violates the rules of the bilateral agreement, and therefore Argentina will be asked to eliminate the increase or to allow an adequate compensation that will allow national exports to generate an increase equivalent to the loss caused by the increase in the statistics rate.

He added that the council has no more than two months to make a statement and inform their respective governments of the results of the negotiations.

If no consensus is achieved, any of the two countries can resort to the third stage of the mechanism of controversies, which is the arbitration of experts designated by common agreement of the two parties.

Cardoen Maintains Innocence, Unafraid of U.S. Intelligence

PY1906123893 Santiago LA TERCERA DE LA HORA in Spanish 30 May 93 p 29

[Text] Businessman Carlos Cardoen told LA TERCERA DE LA HORA that even though he has not received any death threats, nor has he ever employed bodyguards, he has taken some security measures "because the risk is there and we all

know how violently the U.S. intelligence services can operate." He added: "I am calm and I sleep like a prince, and even if I go to jail tomorrow I will still sleep well, because my conscience is clear."

Cardoen, who is awaiting the extradition request from a U.S. grand jury which has to be channeled through the Chilean Foreign Ministry and the Supreme Court, said in an interview that his attitude "is sending a message to the United States telling it just how far it can go, because otherwise they will take over our very homes."

He said: "Undoubtedly one is worried when dealing with complex situations such as this one, involving intelligence services and other organizations of a nation which is known for its violent actions, not only against the freedom of people but also against states, in order to resolve its own problems."

Cardoen added that he has merely increased his children's security and regarding his own safety he said that "there can be no kidnaping when one is up against the most sophisticated country in the world. My defense is that I am an innocent victim of the United States and that the Chilean courts protect me."

Cardoen underscored that it is worrysome "to see them reacting to our lawsuit for the theft of a helicopter and property with such terrible violence based on some ridiculous alleged administrative mistakes made six years ago."

Asked about his enemies, he answered that they were not the U.S. people, among whom he has many friends. "None of this can be traced back to any specific individual. Public officials take action to defend political and economic interests. The latter apply because I am an important competitor for deals that they believe was theirs alone."

He added: "All my activities have been aboveboard. Proof of this is that I publicly exhibited the cluster bombs that we were exporting to Iraq."

Cardoen said that he feels that he is getting more support now for his business activities in various fields. "I believe that I am developing seriously within the framework of the law. I do things other people do not. That is why I clash with the interests of great nations like the United States, which has been acting hysterically."

He explained that in view of the current situation "we must make it clear that we are not weak and that we are merely defending Chile's interests. I have received many expressions of solidarity and support, some of them from abroad."

Carlos Cardoen concluded by stating that "intelligence, rather than rifles and trenches, will decide the outcome of wars, and all this is part of one such war. I am at ease, looking forward, with sword in hand. They are trying to stifle me but they have not undermined my inner strength."

Enaer Signs Contract With Brazil's Embraer

PY1806214793 Santiago ESTRATEGIA in Spanish 3 Jun 93 p 11

[Text] The Brazilian Aeronautics Company, Embraer, and the National Aeronautical Enterprise, Enaer, have signed an agreement, as partners, to share the risks of the EMB-145 program.

The agreement was signed at Embraer's offices in Sao Jose dos Campos by Embraer Chairman Ozires Silva and Enaer Executive Director General Caupolican Boisset.

Enaer will invest approximately $4 million in manufacturing components necessary for production of the EMB-145 series (vertical stabilizer, horizontal stabilizer, and elevators), corresponding to approximately 4 percent of the plane's structure. According to predictions, sales will reach $60 million during the next 10 years, based on a minimum production of 400 planes in that period.

Enaer installations are located in Santiago and cover an area of 100,000 square meters. The company employs 1,500 workers, and its products—its own projects—include the T-35 Pillan primary trainer with a conventional engine. So far 120 units have been produced and are operating in the air forces of Chile, Panama, Paraguay, and Spain. It also produces the turbo-propeller T-35D Turbo Pillan trainer, the prototype of which is being evaluated, and the Namcu light plane, which is in the final evaluation stage before going into production.

Moreover, Enaer produces, under license from the Spanish factory CASA, the C-101 Halcon trainer jet for the Chilean Air Force and the fuselage tail section for the turbo-propelled Cn-235 transport for the same company.

Enaer is also dedicated to the modernization and retrofit [preceding word in English] of airplanes and manufacturing parts for other international projects, in addition to the overhaul [preceding word in English] of airplane components. Like Embraer, Enaer is developing a program of all-Chilean design to meet the ISO-9000 and Mil-Q-9858A standards.

Minister Wants 'Reasonable' Trials on Human Rights

PY1906124693 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 Jun 93

[Text] Defense Minister Patricio Rojas has said that fair and reasonable solutions are being sought to accelerate the legal processes in which Army officers, either on active duty or retired, are involved.

Minister Rojas said that the military movement that took place last 28 May shows that efforts must still be made to seek reconciliation among all Chileans. He stressed that no one is asking for special privileges for the military involved in cases of human rights violations. What is being requested is reasonable, he said, that is, that these legal processes be accelerated.

[Begin Rojas recording, in process] ... to prolong these trials forever. I think it could represent a situation of

permanent or recurrent tension which I do not think is convenient for our healthy coexistence. [end recording]

Minister Rojas added that the government position expressed by President Patricio Aylwin is clear, because the Amnesty Law does not prohibit investigations. The government, he said, has not changed its position.

[Begin Rojas recording] There are several cases in which the summons or testimonies of military members are still pending, and without doubt this causes concern within the Army. We are seeking a fair balance between justice and reconciliation—to the degree that is possible—and of course, peace. [end recording]

Colombia

Congressman Petro Denounces U.S. Troop Presence

PA1806191993 Santa Fe de Bogota EL TIEMPO in Spanish 12 Jun 93 p 7a

[Text] Gustavo Petro, member of the House of Representatives, used a videotape on 11 June to denounce U.S. troop presence in Colombia.

Petro, a member of the 19 April Movement Democratic Alliance, during a news conference played a videotape showing U.S. soldiers marching along an urban area of San Jose Del Guaviare.

The videotape shows about 20 men in U.S. special forces uniforms and armed with pistols. They are accompanied by Colombian Army soldiers bearing rifles. Colombian radio stations are heard in the background.

The videotape, which the legislator says he obtained three weeks ago, contains statements by neighbors of a military base known as Barrancones, where the U.S. soldiers are reportedly lodged.

The legislator turned over the videotape to the House of Representatives' Accusations Commission and requested an investigation of the president of the Republic for the alleged crime of threatening national security as specified in Article 111 of the Penal Code.

Petro added that in this case the government will hardly be able to claim the U.S. soldiers are simple advisers because the videotape shows they are armed.

He maintained this violates a constitutional provision stating that the transit of foreign troops on national territory must be authorized by the Senate and, if it is not in session, by the State Council.

Defense Minister Rafael Pardo Rueda said he has not seen Gustavo Petro's videotape but it apparently shows an area of San Jose Del Guaviare in which five months ago a group of 70 U.S. soldiers were building a river post within the framework of the U.S. program to fight drug trafficking.

"It is a military base that was finished on the week of 6 June and was inaugurated on 10 June. The U.S. soldiers are no longer in the country. Only a group of Colombian marines remains on the base," he explained.

To Petro's arguments about the videotape showing the U.S. soldiers wearing uniforms and bearing weapons, Pardo responded that they can wear uniforms "and, in fact, they did. Bearing weapons would indeed be irregular behavior but not illegal. We will have to analyze whether anything irregular occurred," he added.

Petro said he does not believe the U.S. military is supporting operations against drug trafficking because, even though there are coca plantations in that area, no trafficking has gone on for some time. He said he also doubts that the U.S. troops are supporting antiterrorist operations because in the area "there are only small Revolutionary Armed Forces of Colombia concentrations."

He added that it is his 'hypothesis' that the presence of foreign troops is related to the discovery of fields of uranium and bauxite, which are valuable in the production of nuclear weapons.

He spoke of a U.S. "complete strategy," with support from U.S. missionaries who might be gradually dislodging indigenous communities from the area.

Magistrates Say Government Yielding to Rebels

PA1906215193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Jun 93

[Text] Santa Fe de Bogota—The Constitutional Court has warned that the government has given in to demands and impositions by guerrilla groups and is yielding unnecessarily to their intent to dominate territory.

The community is seriously jeopardized and legal institutions are flagrantly disregarded, asserted magistrates Jose Gregorio Hernandez, Jorge Arango Mejia, and Antonio Barrera Carbonel, who explained their reservations regarding their votes on the government's decision, based on the State of Internal Disturbance, to organize dialogues with the rebel groups.

Under the government's plan some areas become genuine conflict zones, devoid of law and the obligation to obey judicial decisions.

Presidential Hopeful on Privatization of Electricity

PA2006232593 Santa Fe de Bogota EL TIEMPO in Spanish 18 Jun 93 p 1C

[Excerpt] To find a solution to the electricity crisis, it will be necessary to reduce state influence on this sector. This, however, does not mean that privatization at any price will be the panacea for energy problems in Latin America.

Presidential hopeful Ernensto Samper Pizano made that statement during a luncheon with some guest speakers and participants in the Energy Conference of Latin America and the Caribbean (Enerlac).

According to Samper, the state must assume a new role in the process of restructuring the electricity sector. This means that, although the "statism" of the past must be avoided, we should not fall for exaggerated privatization processes that only seek an easy way to obtain resources to cover the fiscal deficit.

This situation, which has been seen in some countries in the region, is commonly known as "casino economies."

Samper believes the restructuring of the electricity sector must be creative. For example, privatization can be carried out through concession systems or energy purchasing contracts between the state and private electricity companies.

Samper referred to how the additional resources the country will obtain from the Cusiana oil fields should be handled. In his opinion, the key to the good utilization of that income will be the emphasis put on infrastructure investments.

Samper noted that the Cusiana oil fields will bring in $2.5 billion per year, and that 60 percent of those funds will necessarily enter the country's economy and will have to be invested in infrastructure and social development.

The remaining 40 percent must remain outside the country to prevent macroeconomic imbalance. Those resources should be invested in technology and distribution channels to facilitate the access of Colombian products to international markets.

On the subject of subsidies on tariffs for utility services, Samper believes they should be limited to the population with the lowest incomes.

Those subsidies would be financed with funds obtained from general consumption surcharges not exceeding 10 percent of the total cost of the service. [passage omitted]

Paraguay

Wasmosy Plans Reductions in State, Military Sectors

PY1906135193 Asuncion NOTICIAS in Spanish 19 Jun 93 pp 2, 3

[Text] President-elect Juan Carlos Wasmosy on 18 June stressed that reducing the state apparatus includes the military, and he indicated that there will be news in this respect. Wasmosy made this remark at the end of a luncheon with ambassadors.

The president-elect was asked whether the reduction of the state apparatus would include the military and how this would occur. Wasmosy answered: "Yes, there is also going to be a reorganization. Look here, it is a long story to relate now, but you are going to see the results."

With this remark, the president-elect gave a preview of his plan for rationalizing the state apparatus (which implies the reduction of the apparatus) that will include the military, a sector that on repeated occasions has been reluctant to acquiesce to the demands of a material reduction or to giving up its influence within the government.

Notwithstanding Wasmosy's announcement, it was learned on 18 June that a plan to create new regiments is being drafted by the military (see the report on this page).

When he was asked about his position on the project to privatize state enterprises, Wasmosy indicated that the program he included in his government plan will begin very soon.

Regarding the fears of the public employee sector on when private enterprises take over the management of state companies, he indicated that the package dealing with this matter contemplates consultations with the unions of those companies, and the drawing up of specific clauses that will guarantee that personnel will not be reduced.

Wasmosy explained that he will reconcile his promises that personnel will not be reduced with his privatization plan through the rationalization of personnel, starting with the repositioning of personnel.

According to this line of argument, public employees will be positioned in accordance with their level of training.

The president-elect on 18 June met with ambassadors from most Latin American countries, the United States, and Spain. They discussed the new relationship that will go into effect when he assumes office on 15 August.

Other topics that Wasmosy discussed with the media included the Itaipu hydroelectric plant, with Wasmosy indicating that Brazil will pay the pending amount pertaining to royalties [preceding word in English]. He also indicated that the hydroelectric plant's total debt [with Paraguay] will be paid in full.

Program To Increase Military Contradicts Wasmosy Plan

PY1906153593 Asuncion NOTICIAS in Spanish 19 Jun 93 p 2, 3

[Text] The military leadership is studying the creation of new military units, thus contradicting President-elect Juan Carlos Wasmosy's announcement that the Armed Forces will be included in the reduction of the state apparatus.

The plan to strengthen some infantry and cavalry divisions and the creation of more independent regiments is being encouraged by a group of generals and military advisers.

The 1st Infantry Division (based in Tacumbu) is one of the units that is to be strengthened. The RI1 Dos de Mayo [Dos de Mayo 1st Infantry Regiment], based in Asuncion, will presumably be beefed up with two infantry regiments that will come under the command of the DI1 [1st Infantry Division]. The RI2 Ytororo [Ytororo 2d Infantry Regiment] will be based in Alberdi (where a border unit is currently based) and the RI3 Corrales [Corrales 3d Infantry Regiment] will be based in Villeta.

The 3d Cavalry Division will also be strengthened with the creation of the RC9 [9th Cavalry Regiment], which will be organized on the basis of the current Corpus Border Unit based in Corpus (Kanindeyu Department); and the RC10, which will organized on the basis of the Ciudad del Este Border Unit, and will be based in that city.

The DI1 is a component of the 2d Army Corps, while the DC3 is a component of the 1st Army Corps.

Another regiment that will be created will have its base in Mariano Roque Alonso, the former CIMEFOR [Military Reserve Officers Training Center], where the Army headquarters is currently based. This regiment will not be

attached to any division and will be under the direct command of the Army commander in chief.

The military forces commander will also have his own regiment, which will be based where the Presidential Guard is currently quartered, next door to General Headquarters.

The Presidential Guard Regiment (former Escort Regiment) will be transferred to the back of Mburuvicha Roga [presidential residence]. This unit will be under the direct orders of the president.

The current Airborne Brigade, which was created on the basis of the former Silvio Pettirossi Parachutist Regiment, will be strengthened; thus it will have one parachutist regiment and one airborne regiment. Each of these regiments will be the same size and number of men as an infantry regiment.

This plan to beef up units and personnel will make it difficult for Wasmosy's plan to reduce the military apparatus.

Senate Passes Armed Forces Bill; Opposition Walks Out

PY1806212493 Asuncion ABC COLOR in Spanish 18 Jun 93 p 10

[Excerpt] The controversial Armed Forces organization bill was finally approved yesterday by the Colorado Party majority in the Senate. First it was discussed whether it was proper or improper to discuss the bill. The Colorado Party majority's stance finally succeeded. The 19-15 vote prompted the opposition bloc to walk out in protest. The bill includes the establishment of the post of military forces commander, currently discharged by Rear Admiral Eduardo Gonzalez Petit. The approved bill will be submitted to the Chamber of Deputies for appropriate review.

The discussion of the bill began almost one hour after the scheduled time because opposition and ruling party senators held preliminary meetings, seeking to find a solution to the disparate stances. It was even mentioned that the opposition reportedly proposed approving the Armed Forces bill in exchange for postponing the bill regulating the Council for Magistrates for discussion until the next Congress. This proposal was not accepted by the Colorado Party majority. [passage omitted]

Oviedo Calls For 'Cooperation' Among Mercosur Armies

PY1806154793 Asuncion ABC COLOR in Spanish 18 Jun 93 p 15

[Text] Buenos Aires, 17 Jun (AFP)—In exclusive remarks to AFP, General Lino Oviedo, commander of Paraguay's 1st Army Corps, on 17 June supported the efforts to unite the armies of the Mercosur [Common Market of the South] countries, "because security and development always advance together."

At the end of the third session of the First Symposium of Armies of the Region, being held in Buenos Aires, Oviedo said: "I favor increased cooperation between the Armed Forces" of the member countries of Mercosur (Brazil, Argentina, Paraguay, and Uruguay).

He said that there must be a "common cause between the peoples and armies" over the framework of the tariff union of the Southern Cone that will be implemented on 1 January 1995.

He emphasized that the South American initiative "is a necessity" in view of the regrouping of the world in large blocs. Among others he cited the North American bloc (NAFTA), the European bloc (EC), and the bloc being created by Asian nations.

"If they are protecting their markets and consolidating defense pacts, then we must do the same," said the general, who is the commander of the largest battle unit in Paraguay and who was an active protagonist in the recent elections in his country.

Riquelme on Oviedo's Presidential Bid 'Possibility'

PY1806153493 Asuncion ABC COLOR in Spanish 18 Jun 93 p 4

[Text] Colorado Party President Blas N. Riquelme has not ruled out the possibility that 1st Corp Commander General Cesar Lino Oviedo could be the Colorado Party presidential candidate in 1998. Riquelme made this statement yesterday when leaving the Government Palace after meeting with President Andres Rodriguez. He said they discussed various topics, including partisan topics.

Asked about newspaper reports on Oviedo's possible presidential bid in 1998, Riquelme said that Oviedo's remarks were quite broad, just like remarks by any citizen.

Asked if Oviedo could be the Colorado Party 1998 presidential candidate Riquelme said: "Well, he could be. Everything could and could not be as well. We cannot talk about those things."

Asked about Luis Maria Argana's criticism of Juan Carlos Wasmosy's government programs, Riquelme said that the former presidential hopeful should "relax a bit" because he no longer has the right to question anyone. Asked why Argana no longer had that right, Riquelme said that the electoral campaign was over. Riquelme finally called on the people to leave Wasmosy alone so he can implement his government programs.

Mexico Recognizes Wasmosy as Future President

PY1806144293 Asuncion ABC COLOR in Spanish 18 Jun 93 p 5

[Excerpt] Mexican Ambassador to Paraguay Roque Gonzalez on 17 June presented to President-elect Juan Carlos Wasmosy the congratulations and acknowledgement of his government, headed by Carlos Salinas de Gortari. The diplomat handed the message to Wasmosy during a meeting at Wasmosy's private residence.

The president-elect, who will assume the presidency on 15 August, continues to receive the acknowledgement of his 9 May victory in the general elections from several countries.

The Mexican Government expressed its hope for the consolidation of the democratic process in our country as an example of good management by Wasmosy. [passage omitted]

Peru

Foreign Ministry Communique on Relations with Venezuela

PA1906033893 Lima Global de Television Network in Spanish 0100 GMT 19 Jun 93

['Official Communique' No. 16 issued by the press directorate of the Peruvian Foreign Ministry on 18 June in the city of Lima]

[Text] The governments of Peru and Venezuela, aware of the historic ties that exist between the two countries, and considering the traditional ties of friendship and lofty objectives of Latin American integration, particularly for the Andean subregion, have decided by common agreement to normalize their diplomatic relations.

To this effect, and with the purpose of immediately fulfilling this decision, the consul general of Peru in Caracas and the consul general of Venezuela in Lima, will be as of this date ad interim charges d'affaires, pending the appointment of ambassadors.

[issued] Lima, 18 June 1993

Russian Ship Ordered Outside Peruvian Waters

PA1906042793 Lima Global de Television Network in Spanish 0100 GMT 18 Jun 93

[Text] Fisheries Minister Jaime Sobero Taira has ordered the temporary withdrawal of a fleet of Russian ships that did not pay for its fishing permit.

In addition, he announced the arrival of foreign investors who are interested in fisheries.

[Begin Sobero Taira recording] They had to pay a fishing permit equivalent to $1,000 per net registered ton. I think that there was some pending registration paperwork to be done between the Russian ship owner and a Peruvian company. I received a letter from the Russian ship owner in which he told me that he had broken commercial ties with the Peruvian company, and that he was about to establish a Peruvian company. Therefore, as long as he does not comply with the law, which calls for making the payment and meeting other requirements, the fleet is going to have to fish outside of the 200 nautical miles until the situation is legalized.

A French ship, whose owner has formed a company with Peruvian industrialists, is arriving on the week of 20 June. They are going to make very important investments in infrastructures and that is going to create sources of employment and foreign currency. [end recording]

CCD President Discusses New Constitution

PA2106012593 Lima Radio Programas del Peru Network in Spanish 1400 GMT 19 Jun 93

["Saturday Focus" program with host Dennis Vargas Marin, guest Democratic Constituent Congress President Jaime Yoshiyama, and panelists Francisco Miro Quezada, chief editor of weekly EL COMERCIO; Augusto Alvarez Roderich, chief editor of all APOYO publications; and Jaime De Althaus, chief editor of newspaper DIARIO EXPRESO]

[Excerpt] [Passage omitted] [Vargas] Let's organize this dialogue. Many of the topics mentioned here will surely entangle the debate at the plenum. I would like to directly broach these issues from the constitutional viewpoint, for which I will immediately request the participation of Dr. Francisco Miro Quezada. Good morning, Dr. Miro Quezada.

[Miro] Thank you, Dennis. Good morning, Mr. Yoshiyama. The constitutional issue is evidently a central one. It must be underscored that considerable contributions have been made to the Constitution, some of them within the framework of political rights, where there has been a broadening of democratic rights so the people can increasingly participate in the decisionmaking process.

Mr. Yoshiyama, now that referendums are, or will be the fashion and they are acknowledged in the draft of the constitution, I would like to ask you two questions: First, are you a technician or a politician? Second, do you agree or disagree with the reelection? Later on I might repeat these questions.

[Vargas] Very well. The Democratic Constituent Congress [CCD] president will respond.

[Yoshiyama] I am a technical person. I was trained as an engineer, I have pursued a career in economics and by profession I am a businessman who is currently involved in politics. I am involved in politics and I am very proud to be in it because it is very interesting. Regarding the Constitution, my personal opinion is that the Constitution Commission has drafted a very modern document. I believe that it will be comparable to the most modern constitutions of the world, and it is in keeping with Peru's reality. This Constitution is very innovative and I am convinced that it will enable Peru to project itself into the modern world during the next decade. I have no doubt about this.

Regarding the reelection issue, I totally agree with reelection for an additional term. I would like to explain the following: In reality, it is not a matter of the CCD reelecting President Fujimori; it is rather a matter of Fujimori being a candidate during the next general elections. In other words, when a citizen enters the voting booth on election day, the votes he sees will not only name political parties, such as the Popular Christian Party,

Popular Action, American Popular Revolutionary Alliance, and Unity of the Left; they will also bear Fujimori's name and the citizen will be able to freely choose from among all of these options. I believe that this would be the most democratic thing to do.

[Vargas] I must explain one point to avoid misinterpretations or confusions. We are talking about immediate reelection because reelection exists in our Constitution and has always been implemented. Continue Dr. Miro Quezada.

[Miro] There is a legal principle to the effect that the law is not retroactive and Fujimori is operating within a constitutional or legal framework; he must remain within that framework. The situation changes with the new constitution, but I asked the question because a group of technicians and constitutionalists were invited to a meeting by the Constitutional Commission on 16 June. Many opinions were expressed and there were differences over certain points. However, we agreed technically, not politically, that reelection would not be advantageous in a more advanced democracy for two reasons: First, because it contributes nothing to democracy as do referendums and revocations; and second, because it rather tends to concentrate power instead of spreading it out and distributing it among persons and institutions. This is why I am concerned. I believe that we are creating the figure of reelection with a specific goal in mind and, in my opinion, with a specific name in mind. We should seek a balanced and rational criterion for the good of the country and democracy. I am saying this on behalf of a bunch of Peruvians who are concerned, not politically, but technically, over the trend toward concentrating power instead of distributing it within Peruvian society.

[Yoshiyama] First of all, it is obvious that within the legal framework of the previous Constitution the current president cannot be a candidate. I hold a different opinion. I believe that on 22 November, when the people elected us, when they told us that we should make a new constitution, they gave us a mandate to do so. I believe that it is very important to institute reelection in this Constitution. However, I must explain once again that it is not a matter of reelecting President Fujimori, but of allowing the current president to be a candidate. In other words, I believe that if the people are given another option, another candidate in addition to the six or seven who will run in the elections, we will be giving them greater freedom and democracy. This is why I cordially disagree with Dr. Miro; I believe that by giving the electorate more options, we will be giving them more democracy, which is a very important point.

Second, I believe we must have confidence in the people and in their wisdom. If the president is doing a good job, why should we deny the people the capability of reelecting President Fujimori? I do not see where there has been any concentration of power whatsoever.

[Miro] How can we know if President Fujimori is doing a good job? We would have to ask the public here on Dennis Vargas' program—which is described as direct democracy—if they believe Engineer Fujimori is doing a good or bad job. I believe certain specifics must be established. Reelection is a given. Within this context we must think of mechanisms to balance power. For example, it could be established that a candidate or rather a president who decides to seek reelection must resign six months before the election for the sake of balance; not an economic balance, but a balance of power with regard to the other candidates. The electoral law, for example, could establish certain specific provisions whereby a president seeking reelection would be penalized for using the state-owned news media or resources for his campaign. In any event, another alternative to reelection would be revocation. What do you think of these proposals?

[Yoshiyama] First of all, you have asked if the current president of the Republic is or is not a good president.

[Miro] Yes, I asked that question.

[Yoshiyama] I have received a considerable amount of evidence and information and I am totally convinced the president is doing a good job. This is not said only in Peru through polls by independent organizations, but also abroad. Every time I travel abroad, in virtually all of the Latin American countries, I have been told that President Fujimori is much more popular than even the presidents of those very countries. A small example that proves this is the capture of Abimael Guzman, which made the president enormously effective and efficient. Therefore, I believe Fujimori is a good president. You say we must ask my friend Dennis Vargas whether or not the people believe Fujimori is a good president....

[Miro, interrupting] We must ask them through his program; not ask him.

[Yoshiyama] That is precisely what it is all about. If we make it possible for Fujimori to be a presidential candidate once again, the people in all their wisdom will decide whether or not he has been a good president. I see no problem in this; why can they not have that option? Let us imagine for a moment that this CCD disapproves reelection and the possibility of Fujimori being a candidate. Do you not believe that we would be truly denying the people a good candidate?

[Miro] My personal opinion is the opposite. If you say he is a good candidate and a good president, and I say he is not, we must hold a referendum on an adequate [radio] program so the people can say whether or not he is. However, there are still questions that must be asked.

[Vargas] I would like to refer to a thought expressed by Francisco Miro Quezada regarding the mechanism whereby the current president can become a candidate for the term immediately following his current term. How can he participate with the other candidates without having to use the apparatus already established by the government for his campaign? This is Miro Quezada's concern. What mechanisms will be established so that the president, while in office and as a candidate, can refrain from spending government funds; or should he do this and why? How will he finance his electoral campaign? This is what we are trying to establish. Miro Quezada proposed resignation from office six months before elections. If this were to

happen, the president would be replaced by the CCD president. How would you resolve this problem?

[Yoshiyama] The fundamental question is if President Fujimori seeks reelection should he resign three or six months prior to announcing his candidacy? There are two factors that would make one think he should: First, the time he must spend campaigning. In other words, a campaign is a full-time proposition and he probably would not have time to also be president. Time is very important. The second part is whether or not as president he will use government funds to finance his campaign. My specific answer is that apparently those factors exist, but let us look at experiences worldwide.

In the United States, for example, when President Bush launched his campaign he did not resign from the presidency. Felipe Gonzalez in Spain was just reelected a fourth time and he did not resign from the presidency. The same happened with Mrs. Margaret Thatcher and Mitterrand. All rulers do not resign. There must be reasons and I believe there can be two: first, a president is already well known; people will not vote for him for what they believe he will do but because of what he has already done. Second, if a president is totally honest there will be absolutely no misuse of government funds.

[Miro] It is time to take a break but the United States and the UK are very down to earth. Mr. Bush could compete in his party with other candidates because the political parties are democratized. Hypothetically speaking, Fujimori would have to compete with a Change 90/New Majority Movement Coalition candidate. You, for example, or Dr. Carlos Torres or Miss Marta Chavez, to name a few. Why? because the U.S. mechanism is based on democracy within the parties. Many presidents who have sought reelection in the United States or many British candidates who have sought reelection lose and can no longer seek reelection. Peru must start from the bottom; we need a political party law that will democratize the parties. Reelection must result from a popular vote and not because a president wants to be reelected.

[Vargas] Engineer Yoshiyama.

[Yoshiyama] First of all, Dr. Miro Quezada, I must say that I do not agree with your statement that to seek reelection President Fujimori must resign from the presidency three to six months prior to the elections. I believe the experiences of other countries proves that it is not necessary. In my opinion we have a totally honest president. Furthermore, supposing the president resigned three or four months prior to the elections to avoid misusing government funds, do you believe that with his contacts in the party and government he would truly want to misuse government funds? This has happened with past rulers who have sponsored presidential candidates and have used their presidencies to conduct their campaigns.

[Miro] It is not necessary to imitate bad examples. If past rulers financed their campaigns with state resources, such as the news media, our new rulers need not do this too. Engineer, you know more mathematics than I do. Democracy is symmetry. A certain symmetry and equality of conditions must be achieved. Everyone must have the same starting point. What if someone suddenly starts running, someone else takes a few steps, another takes off, and the other lags and loses the race? There must be equality of conditions at the starting point. I believe technical mechanisms are required. Personally I have nothing against anyone....

[Vargas, interrupting] Especially when reelection is not sought with a certain name in mind.

[Miro] No. Supposing Fujimori seeks reelection and loses, someone else will be elected. It is a matter of principle. However, my question contains another concept. If he is reelected he can be impeached and here we come to the political rights stated in the Constitution, including the impeachment of authorities, all elected authorities. With this principle of symmetry—perhaps there should be a more specific law—why can't the people impeach the president of the Republic before his term expires if they consider him a bad president, just as they reelected him? Is it possible to achieve this balance?

[Yoshiyama] First of all, I must say that active presidents do, of course, have a certain advantage in an election because they are already widely known; not because we might believe that Fujimori, for example, will misuse government funds. I am convinced that this will not be the case. However, just as there are positive factors working in his favor, there are negative factors as well. The government wears a person down. Do you believe, for example, that after four or five years in office, Alan Garcia would have been reelected, regardless of how good a president he had been?

[Miro] He would have been impeached had impeachment existed in Peru. He would have been impeached by the people. This can also happen to Fujimori at any time within the next year and a half. We do not know. That is, if impeachment exists.

[Yoshiyama] I must tell you that an active president has positive factors going for him because the people already know him. He also must deal with negative factors because power wears one down. As I said, however, we must always think of the people and their wisdom. If the people want to reelect Fujimori I do not believe we can deceive them. Gone are the years when any maneuver could be made in the elections to prevent a certain person's winning.

[Vargas] Mr. Yoshiyama, speaking of the wisdom of the people, we see that the people may need to remove the president at mid term. This is why we are interested in knowing if the issue of mandate revocation is or is not in the Constitution, or if it should be.

[Yoshiyama] Actually, Mr. Miro Quezada has contributed quite a lot to this Constitution through his studies.

[Miro] I thank you, sir.

[Yoshiyama] One of the most important issues in the new text of the Constitution is the possibility for the people to fire their elected officials. This means that the people can fire judges, for instance, who may act corruptly; their mayors, their congressmen, or the president. I personally

think that the issue of impeachment or the capacity to fire an official should include judges and mayors. Regarding congressmen or the president, I feel the Constitution has the means that enable the Congress and public opinion to fire the president when he or she acts incorrectly.

[Vargas] In South Korea, for example, the congress is fully authorized to censure the president. That is what the Korean Constitution states. Here, however, according to the 1979 Constitution, only the Chamber of Deputies could censure not only the president, but the Council of Ministers or the ministers.

[Miro] I would like to....

[Vargas, interrupting] Let us finish with the Constitution and then take a break.

[Miro] Let us finish, yes. Allow me to give you an example. The people will decide, which is very good, and there will be a referendum and what have you. I do not believe we should play with the term people. Let me state an example. Some 500 years ago, the people thought the world was flat. Then came along a man named Christopher Columbus who said it was the opposite. The people thought that if they ventured into the west and then some, they would end up in nowhere land.

[Vargas] They thought they would fall off.

[Miro] They thought they would fall off the edge into hell, or that there were monsters there. That is what the people believed, while he believed the contrary. He was a minority and managed to demonstrate the opposite of what the people thought. We must assess the people in quantitative terms [corrects himself] or I should say qualitative, as it is an expression of masses or of the popular vote, but not in a qualitative sense, I believe. What is your opinion on this?

[Yoshiyama] What you are saying is....

[Miro, interrupting] I am not saying the people are always wrong.

[Yoshiyama] First, I think we should trust the wisdom of the people. Second, you are speaking of something that began thousands of years ago.

[Miro] It is just an example.

[Yoshiyama] Yes, of course. But what is going on in 1993 and in today's Peru? There has been significant progress in telecommunications in today's Peru. I am referring to television and radio. The people are listening to us right now in the far corners of the country and they are watching this whole string of events. I personally think that, thanks to the information the community has, it is very difficult to fool the people.

[Vargas] A question from Augusto Alvarez Rodriguez.

[Alvarez] President Alberto Fujimori was sitting right where you are now. He indicated the possibility of holding elections sooner. When we asked if that was going to happen, he told us that that was not his job but the Congress's job. Now I am asking the president of the Congress: What is your opinion about the possibility of holding early elections, say in April, 1994. That possibility took be by surprise as well. I think it is media speculation, because as far as I know, we have never discussed that issue at the Congress. Like I said, this is a surprise to us. I believe that if we have not discussed the issue and we are not planning to do so, we should not speculate about it.

But President Fujimori has already addressed it. He did so on 12 June at this table. It would seem that the request will probably be sent to Congress, so it would be good to know the response this idea to hold early elections will receive from the majority and from the Congress president. It is essential to Peru's political future.

[Yoshiyama] As I said before, absolutely nothing has arrived at the Congress except the news reports. As I am a practical person, I never comment on anything unless it is real. I think it is pure speculation and, consequently, I do not think we should waste any more time discussing this issue.

[Alvarez] I will change my question. When the president went to the Bahamas almost a year and a half ago, he said that the Constitution will be approved by referendum. Now we have certain majority voices indicating the opposite. I am specifically speaking of Carlos Torres y Torres Lara, who says that a referendum is not needed. What is your position on this? Should we approve the Constitution through a referendum?

[Yoshiyama] We have clearly stated that in July 1993 the plenum will speak on the whole new Constitution, the whole magna charta. In August we will examine the whole referendum, which Mr. Miro Quezada has so eloquently addressed. As the president of the Congress, I cannot give you any other opinion than that which is already in the news.

[Alvarez] This means that not all of the Constitution will be included in the referendum, but certain specific issues. Is that the position you will present to the majority at the Congress?

[Yoshiyama] As the president of the Congress, there are many issues I would rather not comment on. This is not because I do not have an opinion on them; I do. On this issue, as I am presiding over the debate, I would rather not comment on whether it will be the whole Constitution, part of it, or just the most important issues. [passage omitted]

Camet Comments on Reduction of Selective Tax

PA2006200593 Lima Global de Television Network in Spanish 0100 GMT 19 Jun 93

[Text] Economy Minister Jorge Camet has said that the government will receive $70 million as a result of the reduction on the Selective Tax on Consumption (ISC) aimed at curbing contraband.

[Begin Camet recording] If we reduce the contrabandist's margin he will have less money for bribes and immorality. Having less money to use to pay bribes, and having their market decreased, there is no doubt contraband will also drop. I would add that the loss this reduction represents will be covered by the $70 million in products that would otherwise be brought into the country by contraband. That gives you an idea how much contraband enters the

country. Therefore, we believe that it will be productive even for the government. [end recording]

Uruguay

Friction Disclosed Over Berrios Case

PY1906185093 Montevideo LA MANANA in Spanish 13 Jun 93 p 6

[Text] While the Army's internal administrative matters have not yet been resolved, the existence of a confrontation between the intelligence services of the Defense Ministry and the police is forming again. There are comments about the "undeniable CIA participation in the Berrios case, because only this organization had all the information on the background of the former Dina [National Intelligence Directorate] agent, which was the secret police of General Augusto Pinochet's regime in Chile."

The case involving Eugenio Berrios, the scientist who was a Dina agent during the dictatorship of Gen. Augusto Pinochet in Chile, has not yet been clarified because the captain stationed in Mozambique with the UN peacekeeping force who reportedly had Berrios living in his house has not yet arrived in Montevideo. At least until last night the Army Command had not yet confirmed his arrival.

After the captain testifies before "his superiors in compliance with current regulations," a decision in this regard will be made. According to military sources expressly questioned by LA MANANA, the testimony will close the administrative aspect of this case and after all the background is ready "the high command will have to decide if sanctions are necessary or if the case is submitted to the Military Court." They also confirmed that Colonel Hector Lluis, current military attache in Santiago, Chile, who was called to report on this case, returned to Santiago yesterday.

The military sources also confirmed that General Mario Aguerrondo "will reportedly hand over the command of the Defense Intelligence Service, Side, to new chief General Luis Alberto Abraham on 21 June."

Reliable sources of the Armed Forces also made known a confrontation between "the Armed Forces and Police intelligence services" over the handling of "documents and information."

The military sources said that the confrontation reached its peak in the case of Chilean Eugenio Berrios, who was shown by the press to the public with "concrete and irrefutable information." The military sources said that the majority of the military chiefs who handle this case believe that the information could have come only from the sources who knew exactly not only the identify of the Chilean, his scientific background, and his past in the Pinochet secret police, but also when the former agent entered Uruguay.

The sources added: "This leads us to presume that the CIA intervened in this case and that the information was given to the press by our police, which we doubt did it without the previous knowledge of the Interior Ministry. No one could know the identify of the Chilean if he was not aware of his link with the Letelier case. This was handled by the CIA, and one of its double agents is being blamed for the murder of former Chilean Foreign Minister Letelier, a case which is still discussed after so many years."

The sources also said they have no doubt "the idea was—and this goal was achieved—to disqualify Eugenio Berrios because in just about every country people know who Berrios is because they saw his picture and know what he did. And this is a sensitive issue because Berrios is the one who brought back the poison gas for its military use in Chile and this insures him at least a great deal of unrest. This is the reason for his justified almost permanent state of nervousness and this is the state he was in when he left the house where he was living in Parque del Plata." There is also tacit acceptance that this issue created some uneasiness in the Argentine Government, but this was learned unofficially.

In an extensive review of the events with the political impact that was only reflected so far in the change of Gen. Mario Aguerrondo, the military spokesman commented on three possible variables to explain the events "that are still going on."

The first one could be "the result of guidelines given by foreign security organizations that may have connections (reciprosity of information) with police organizations to solve a possible problem such as Berrios, who is now known through pictures. Other sources that are harsher in their judgment do not discount the idea of discrediting the Armed Forces." The sources also talked about another possibility put forward by some media that "the Chilean citizen was presumably linked to arms and drugs." And the last possibility is that this "issue was brought to the press directly by the people accompanying Berrios, who were also Chileans and alleged members of the Chilean security services."

The sources told LA MANANA that the comments made with the express purpose "of putting some things in their place" had the intention of "making clear that the information and intelligence services of all countries exchange information and cooperate for the general well-being. This is routine in the United States, Russia or in any other place in the planet."

The "replacement" of Gen. Mario Aguerrondo was admitted to be "a political transaction with the commands" which expressed the urgency that the Armed Forces "salary needs be met and that substantial reforms be included for all members of the military institutions in the next budget."

The sources said that the proposals which are not new "were made as required through the normal chain of command. The Armed Forces do not hold strikes or demonstrations like the police did." They added that the Armed Forces hope to get some benefits in accordance with the "real needs of the soldiers in general, whatever their rank."

According to reports the demands have not yet received a concrete answer.

Vice President Named MRV Presidential Candidate

PY1906132293 Montevideo LA MANANA in Spanish 14 Jun 93 p 6

[Report by Miguel A. Vignola]

[Excerpt] Canelones—Dr. Gonzalo Aguirre Ramirez, the current vice president of the Republic, has been proclaimed a presidential candidade for the Blanco Party's Renewal and Victory Movement, MRV, for the 1994 elections.

This announcement was made by a MRV leader from Canelones Department, who said that prominent leaders from 12 departments attended the meeting held at a cattle ranch in Flores Department. The ranch, called "San Paulo," is located at km 175.5 on Highway No. 3. [passage omitted]

Venezuela

Defense Minister Meets President, Views Corruption

PA1906160593 Caracas Venezolana de Television Network in Spanish 2350 GMT 18 Jun 93

[Report by Cecilia Pachano]

[Text] New Defense Minister Vice Admiral Radames Munoz Leon has guaranteed that the recent reports made through the media will be thoroughly investigated, if there is enough basis for that.

After being officially notified of their appointment, the members of the new military High Command held a meeting with President Ramon J. Velasquez. They discussed the situation of the Armed Forces, as well as some social welfare projects, the preservation of morale within the institution, and the maintaining of discipline. Cooperation and collaboration of the military with the president was also discussed.

As he left the meeting, Vice Admiral Radames Munoz Leon stated that priority will continue to be placed on attention to subordinate personnel. He stated that the struggle against corruption will obviously be maintained, adding that the corruption reports that are made will be dealt with immediately, including the reports made recently through the media. He explained that the Armed Forces are not covering up anything.

[Begin Munoz recording] There is an administrative procedure. We must not let ourselves be guided by an anonymous report. You must bear in mind that anonymous reports have a basic characteristic. They are made by cowards who are not capable of personally facing what they are saying.

The first thing we would have to ask anyone making a report, regardless of who he may be, is that evidence be provided. [end recording]

Meanwhile, current Defense Minister General Ivan Dario Jimenez, who attended his last ministers council on 18 June, when questioned on the reports by Colonel Valero Briceno, stated that this matter is in the hands of the courts, which will determine who has committed the crime or offense.

[Begin recording] [Jimenez] I think that it is convenient to wait for the military judge to make his decision.

[Unidentified reporter] Will sanctions be taken against this colonel?

[Jimenez] There will be sanctions against those who committed offenses. [end recording]

Both military officers agreed that the combined or simultaneous patrols of the Colombian-Venezuelan border is very appropriate, under the present circumstances of struggle against drug trafficking and different crimes.

In the meantime, the new military high command also guaranteed the total administrative continuation of what is taking place within the Defense Ministry and the four branches of the Armed Forces.

Discusses Armed Forces

PA1906165093 Caracas Venezolana de Television Network in Spanish 1550 GMT 18 Jun 93

[Interview with Vice Admiral Radames Munoz Leon, Venezuelan defense minister, by unidentified reporter, at the Miraflores Presidential Palace—live]

[Text] [Reporter] Vice Admiral Radames Munoz Leon: Can you tell us what are the impressions of your first meeting with the president?

[Munoz] We had an excellent meeting. I found a man who believes in institutionality, a man who truly has a great capacity and vocation to serve. This is a man who is willing to fight for the country so that we can find a democratic solution, and who is willing to group the necessary forces so that with his cooperation, we can find a solution to the on-going process in Venezuela. This is not only for the democratic process, but also for the changes we Venezuelans hope for in the perfection of the nation's democracy.

[Reporter] The Armed Forces has just passed a somewhat difficult period in its history. What priorities have been set now and how do you expect to heal some of the possible wounds generated inside the institution?

[Munoz] We are one family. These matters are treated the same as in a family. When one child goes by the way side or changes his conduct, the parents and the relatives' duty is to bring him home, advise him, and convince him of his true vocation or explain what is the real situation. What is the goal? For us it is indispensable to revise our education system, it is indispensable for us to give social answers required by our officers, noncommissioned officers, and professional troops. We must care for their health, we must implement the basic programs we have in the institution, which we have promised our men. We have gone through difficult times; these are times when it is not feasible to carry out all the changes desired in the Armed Forces. This is because the economic situation also demands from us a vocational sacrifice so the nation can achieve its main

goals. We would be selfish if we devoted everything for the Armed Forces' benefit leaving behind other social needs.

[Reporter] Recently there have been charges of corruption in the Armed forces in addition to links of some high officers with drug trafficking. What are you going to do about these charges?

[Munoz] The charges have been mere published reports, but nothing specific has been sent to the Defense Ministry. Once specific accusations are made, the Defense Ministry, will be willing, as I said before, to thoroughly investigate these charges. By the way, I want to say that the ministry is open to receive any kind of report, as long as it is sincere. If necessary, within this spirit, we can say that we are in the process of purging the Armed Forces to make it an example to the nation's community.

[Reporter] This year, as on previous occasions, some of the promotions have been protested and strong criticisms have been made. Is a new system going to be devised to guarantee that the promotions are made among the top men?

[Munoz] For many years we have been going through this process of accusations and counteraccusations of favoritisms, etcetera, within the Armed Forces. I believe that if you could read a document drawn up by the high command and signed by former Defense Minister General Jimenez, where ethic and moral rules are set out to determine promotions, you would understand that we have all the rules established so that these protests will not occur every year. The evaluation process is being modernized, as are all the administrative processes. We are currently studying companies that have very advanced evaluation processes such as the Venezuelan Petroleum Company, some foreign companies that are experts in evaluation processes, and we are consulting with Venezuelan experts in this field. We are trying to improve the evaluation process so that the final outcome is as clear as possible. In this way there will be no doubts as the individual's merits. Also a report to the individual on why he is or he is not promoted, is perhaps one of the most important parts. That report, indicating the causes of why he has not been promoted—in some cases it will be for lack of merit, in others because he does not have the conditions demanded, and still in others because the corresponding vacant post is not available—is important so that individual does not go around making unfounded accusations. This evaluation must be set out clearly in a document indicating his record, what has been his professional life, because we not only have to improve the Armed Forces, but we also have to prepare apt, capable, and high quality professionals to occupy the highest positions in the Armed Forces. This does not mean that he who is not promoted is not [an apt, capable, and high quality professional]. This means that in any organization there are some individuals at the top of the list and some at the bottom. We want the generals and the Armed Forces' top brass to be from the top of the list.

President Urges Cabinet Members To Work 'Harmoniously'

PA1906142593 Caracas Venezolana de Television Network in Spanish 2350 GMT 18 Jun 93

[Report by Cecilia Pachano]

[Text] President Ramon J. Velasquez has urged the members of his cabinet to work harmoniously and collectively in order to avoid affecting government policies with personal interests.

In the first meeting of the cabinet of President Velasquez, the president asked the members of his team to clearly convey to the public the guidelines and characteristics of his policy and to avoid the possible creation of any forms of anarchy or dissent where there is none.

[Begin unidentified official recording] There are really no contradictions; there are not two policies. There is only one single policy, which is aimed at resolving our most urgent problems in the economic and social area and making the fiscal adjustments that are urgently required. [end recording]

In this council of ministers, the interior relations minister presented a report on the situation of the country, highlighting the harmony and atmosphere of hope and confidence that is currently being experienced. In addition, he presented the projects prepared by the police corps and intelligence organizations to reduce anxiety.

The privatization of the Port of La Guaira and the Poliedro Coliseum was also discussed and approved.

[Begin second unidentified official recording] In addition, a 20-year concession will be granted through an international public bid. It should be noted that this concession does not bestow property rights to investors on the assets of the port. In other words, the port assets will continue to be owned by the Republic. The holder of the concession will only be responsible for operating and maintaining the port. Therefore, all investments to be made in La Guaira Port will be made by private capital, without one government penny. [end recording]

Regarding the privatization of the Pliedro Coliseum, it was learned that three companies preapproved to participate in the bid for its administration. It is believed that the public bid envelopes will be made in the first week of July.

The draft decree presented by the minister for the decentralization was also discussed in the first council of ministers presided over by Dr. Ramon J. Velasquez. This draft decree would give governors the authority to appoint the regional directors of the government ministries. However, this issue was only discussed and will continue to be addressed in the next council of ministers.

Interior, Justice Ministers on Security Plan

PA1806132193 Caracas Venezolana de Television Network in Spanish 2350 GMT 17 Jun 93

[Report by Daniel Lombana]

[Text] In response to the people's demand and in light of the different criminal actions that occur daily in the country, Venezuelan Interior Minister Carlos Delgado Chapellin announced that the general urban security plan will be implemented immediately.

The interior minister called the top representatives of the different state security organizations to the Carmelitas office in what is considered the first national council of police officers in this new stage of government transition. The idea was to plan and coordinate the new security plan.

It was agreed that the metropolitan police, the mayors' offices, the Judicial Technical Police, and the National Guard will implement measures to fight the wave of insecurity that shakes the country daily.

[Begin recording] [Delgado] As you well know, the state of personal insecurity that exists in vast sectors of the country has reached intolerable limits. In response to the clamor by all Venezuelans, we are planning to carry out actions to fight crime and reduce it as much as possible.

[Justice Minister Fermin Marmol] We will also apply an important measure—disarmament. We will strive for the disarmament of the people because weapons are causing a series of unnecessary deaths in the country. I think the coordination noted by the interior minister will be successful. That is, it is not a study or project for the future, but a plan for immediate implementation. [end recording]

The justice minister hinted of the possibility that the state governors may assume the administration of their respective penitentiaries.